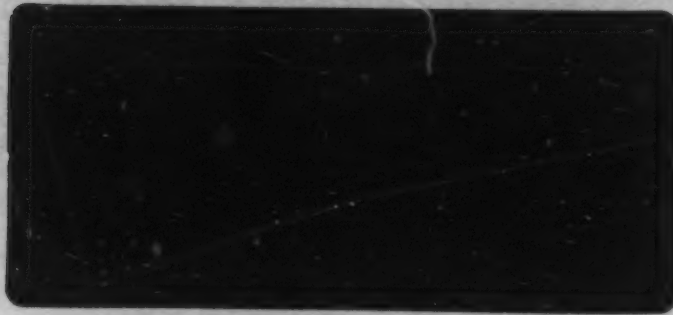


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**Market Research Division
Fairchild Publications, New York**

Home Textiles

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Prepared by

Market Research Division

Audrey S. Balchen, Director

Gregory Becker, Research Analyst

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HOME TEXTILES

Market Trends

Following a weak performance in 1982, when sales of home textiles remained relatively even at \$11.1 billion, HFD Home Textiles reports that the category rebounded in 1983, marking an increase at retail of 4%, attaining sales of \$11.5 billion. According to NPD Special Industry Services, a market research firm utilizing consumer panels, the only home textiles categories to register declines in reported consumer purchases in 1983 were bedspreads and pillows.

The home textiles market over the last several years has been characterized as highly promotion-oriented. Although most retailers are attempting to move away from the "52 week white sale" psychology, analysts believe that the majority of home textiles sales will continue to be consummated at sale prices. Industry insiders report that consumers have now grown so accustomed to buying home textiles while they are on sale, they are refusing to pay full price. Manufacturers are, however, making strides towards breaking this pattern by marketing new styles at full price while continuing to promote heavily on traditional categories. Another method manufacturers are using to avoid direct price competition is the signing of contracts with designers for lines of home textiles. This trend is increasing and is enabling manufacturers to maintain their profitability.

The fastest growing areas of the home textiles market in 1983 and 1984 are flannel sheets and kitchen textiles. Despite delivery problems in 1983, most retailers agree that flannel sheets were their fastest growing category in that year, accounting for about one-third of all sheet sales. Through the middle of 1984, manufacturers of flannel sheets were reporting orders coming in for larger quantities and at an earlier time, thus the production and delivery problems experienced in 1983 should be lessened.

Most analysts agree that the return of the economy from the recession of 1981-82 was the main reason for the growth of home textiles in 1983. Consumers, worried about the economy, had been holding back on discretionary spending and not spending for home textiles. As the recession eased, consumers became less cautious and began to purchase new houses which they decorated; or they redecorated their current residences.

New colors and designs are the major changes currently characterizing the home textiles industry. Most retailers agree that at the present time sales are shifting away from solid colors and more towards prints and jacquards. In the past, prints and jacquards were reported to represent 30% - 35% of the towel category, but in 1984, are reported to account for about 50% of sales.

Sheets and towels are currently the two largest segments of the home textiles industry, accounting for about one-quarter of industry sales combined. Although unit segments of sheets has always been greater than that for towels, it is expected that in 1984 this situation will reverse with shipments of towels surpassing those of sheets.

The continued health of the economy and the easing of interest rates are expected to have a positive effect on the home textiles industry. As personal disposable income rises, more people will buy new homes or redecorate their present ones and thus stimulate sales in the category.

GENERAL INDUSTRY STATISTICS

Preliminary data for the year 1982 has recently been released by the U.S. Bureau of the Census for two of the three classifications in the home textiles industry. Findings are based on a complete census of manufacturers classified in these industries, which is conducted by the Census Bureau every five years.

Compared with 1977 data, in terms of current dollars--which means they are not adjusted for inflation--the value of shipments of curtains and draperies increased 4.4%, while drapery hardware, blinds and shades marked an increase of 65%. The number of companies classified in these industries, however, registered declines in 1982 compared with 1977.

Data for 1982 for the home textiles, n.e.c. category, which is described in detail on the following page has not yet been released by the Census Bureau. However, data for 1981 indicates that since 1977, shipments have grown 24.1% to nearly \$3 billion.

Curtains & Draperies (SIC 2391*)

	<u>1982(p)</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Number of companies	1,319	1,650	- 20.1%
Number of establishments	1,370	1,712	- 20.0
Number with 20 or more employees	253	324	- 21.9
Employees, total (thous.)	24.0	31.7	- 24.3
Production workers (thous.)	19.7	27.2	- 27.6
Payroll (mil. \$)	\$ 233.4	\$ 224.7	+ 3.9
Value added by manufacture (mil. \$)#	na	407.3	--
Value of industry shipments (mil. \$)##	1,057.4	1,013.1	+ 4.4
Capital expenditures, new (mil. \$)	7.2	7.2	--

Home Textiles, n.e.c. (SIC 2392*)

	<u>1981</u>	<u>1977</u>	<u>% Change</u> <u>1981/1977</u>
Number of companies	na	980	--
Number of establishments	840	1,051	- 20.1%
Number with 20 or more employees	381	403	- 5.5
Employees, total (thous.)	23.2	47.5	- 51.2
Production workers (thous.)	19.1	39.8	- 52.0
Payroll (mil. \$)	\$ 221.5	\$ 366.4	- 39.5
Value added by manufacture (mil. \$)#	1,127.2	782.9	+ 44.0
Value of industry shipments (mil. \$)##	2,846.3	2,294.0	+ 24.1
Capital expenditures, new (mil. \$)	18.8	26.9	- 30.1

(continued)

GENERAL INDUSTRY STATISTICS

Drapery Hardware, Blinds & Shades (SIC 2591*)

	1982(p)	1977	% Change 1982/1977
Number of companies	400	435	- 8.0%
Number of establishments	430	456	- 5.7
Number with 20 or more employees	126	85	+ 48.2
Employees, total (thous.)	15.7	13.6	+ 15.4
Production workers (thous.)	11.7	10.3	+ 13.6
Payroll (mil. \$)	\$ 223.4	\$ 145.6	+ 53.4
Value added by manufacture (mil. \$)#	na	345.0	--
Value of industry shipments (mil. \$)##	1,113.7	675.0	+ 65.0
Capital expenditures, new (mil. \$)	31.2	16.7	+ 86.8

n.e.c. not elsewhere classified

na not available

(p) preliminary

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

SIC 2391 covers establishments primarily engaged in manufacturing curtains and draperies from purchased materials.

SIC 2392 (officially designated "House Furnishings, n.e.c.") covers establishments primarily engaged in manufacturing of home textiles from purchased materials, including towels, sheets, blankets, comforters, bedspreads, pillowcases, pads; also slip covers, tablecloths (fabric and plastic), pillows, mops, garment bags, etc. Blankets that are made in weaving mills are not included in this industry, nor are tufted bath mats or other tufted items.

SIC 2591 covers establishments primarily engaged in manufacturing curtain and drapery rods, poles and fixtures, venetian blinds and other window blinds and shades, regardless of the materials used, except canvas shades and awnings.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments by manufacturers classified in other industries, is covered on pages 14-17.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982, 1977
Annual Survey of Manufactures, 1981
County Business Patterns 1981

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Average employment in the curtains and draperies industry increased 4.2% in 1983, reaching 25.0 thousand persons. By April 1984, the number of employees in the industry was 26.6 thousand, an increase of 11.7% over April 1983. This trend towards increased employment also continued in the home textiles, n.e.c., segment. After increasing 6.2% to an average of 50,000 employees in 1983, employment stood at 51,700 in April 1984. This was 7.0% higher than the number in April 1983.

Production workers in the curtain and drapery industry worked an average of 38.3 hours per week, (excluding overtime) in 1983 compared with 35.0 in 1982. During this same period, the average hourly earnings climbed 9.4%. The same pattern held in the home textiles, n.e.c. segment where average weekly hours rose 4.3% and average hourly earnings climbed 4.2%.

Some differences will be noted for average employment data on an annual basis compiled by the U.S. Bureau of Labor Statistics and by the U.S. Census Bureau due to a difference in methodology in compiling this data.

Employment & Earnings in the Home Textiles Industry

	<u>April</u>		<u>Annual Average</u>		<u>% Change</u>
	<u>1984 (p)</u>	<u>1983</u>	<u>1983</u>	<u>1982</u>	
Curtains & draperies (SIC 2391)					
All employees (thous.)	26.6	23.8	25.0	24.0	+ 4.2%
Production workers (thous.)	21.8	19.5	20.4	19.5	+ 4.6
Avg. weekly earnings	\$197.36	\$188.28	\$188.44	\$162.75	+ 15.8
Avg. hourly earnings	5.18	4.84	4.92	4.65	+ 5.8
Avg. weekly hours	38.1	38.9	38.3	35.0	+ 9.4
Home textiles, n.e.c. (SIC 2392)					
All employees (thous.)	51.7	48.3	50.0	47.1	+ 6.2%
Production workers (thous.)	44.1	40.5	42.1	39.0	+ 7.9
Avg. weekly earnings	\$ 217.67	\$ 212.01	\$212.07	\$195.14	+ 8.7
Avg. hourly earnings	5.61	5.45	5.41	5.19	+ 4.2
Avg. weekly hours	38.8	38.9	39.2	37.6	+ 4.3

n.e.c. not elsewhere classified.

(p) preliminary

Source: Bureau of Labor Statistics,
Employment & Earnings

GENERAL INDUSTRY STATISTICS

Industry Concentration

The Census Bureau reported that in 1981 the home textile industry was characterized by small producers who had less than ten employees. This was particularly true in the curtains and draperies segment where 61.6% of plants had fewer than 10 employees.

Number of Home Textiles Manufacturing Establishments By Employment Size, 1981

	<u>Curtains & Draperies (SIC 2391)</u>		<u>Home Textiles, n.e.c. (SIC 2392)</u>		<u>Drapery Hardware, Blinds & Shades (SIC 2591)</u>	
	<u>No.</u>	<u>% of Total</u>	<u>No.</u>	<u>% of Total</u>	<u>No.</u>	<u>% of Total</u>
Total establishments*	1,292	100.0%	840	100.0%	381	100.0%
Employment size:						
Under 10 employees	796	61.6	333	39.6	210	55.1
10-49 employees	381	29.5	292	34.8	121	31.8
50-249 employees	98	7.6	183	21.8	36	9.4
250 or more employees	17	1.3	32	3.8	14	3.7

n.e.c. not elsewhere classified.

* Includes only establishments with payrolls.

Source: U.S. Bureau of the Census,
County Business Patterns 1981.

According to estimates compiled by Sales & Marketing Management Magazine, plants in the home textiles industry which have 100 or more employees account for a minimum of 59% of industry shipments. The highest percentage was for drapery hardware, blinds and shades. Plants with 100 or more employees accounted for 67% of shipments.

Employment & Share of Industry Shipments in Large Plants In the Home Textiles Industry, 1983

	<u>Number of Plants</u>		<u>% of Industry Shipments Accounted For By Plants With 100 or More Employees</u>
	<u>With 20+ Employees</u>	<u>With 100+ Employees</u>	
Curtains & draperies (SIC 2391)	339	69	59%
Home textiles, n.e.c. (SIC 2392)	352	96	64
Drapery hardware, blinds & shades (SIC 2591)	152	28	67

n.e.c. not elsewhere classified.

Source: Sales & Marketing Management,
"Survey of Industrial Purchasing Power,"
April, 1984. All rights reserved.

GENERAL INDUSTRY STATISTICS

Operating Ratios

Concentration Ratios in the Home Textiles Industry, 1977

	Value of Shipments (Mil. \$)	Percent Accounted For By:			
		4 largest companies	8 largest companies	20 largest companies	50 largest companies
Curtains & draperies (SIC 2391)	\$1,013.1	25.7%	35.7%	48.9%	61.6%
Home textiles, n.e.c. (SIC 2392)	2,294.0	22.0	33.4	47.9	65.5
Drapery hardware, blinds & shades (SIC 2591)	675.1	45.5	64.6	81.0	88.0

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977,
Concentration Ratios in Manufacturing,
MC77-SR-9.

Manufacturing Ratios in the Home Textiles Industry, 1980 (Median Results)

	Curtains & Draperies (SIC 2391)	Home Textiles n.e.c. (SIC 2392)	Drapery Hardware, Blinds & Shades (SIC 2591)
Number of firms reporting	204	176	78
Current assets to current debt (times)	2.61	1.85	2.75
Net profit on net sales (percent)	6.06%	1.89%	5.79%
Net profit on net worth (percent)	24.02%	17.45%	25.04%
Net sales to net worth (times)	5.13	6.44	4.67
Net sales to inventory (times)	11.7	7.1	9.8

n.e.c. not elsewhere classified.

Source: Dun & Bradstreet, Inc.,
Business Economics Division,
Key Business Ratios 1980.
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GENERAL INDUSTRY STATISTICS

Leading Manufacturers

Market Share of Leading Towel Manufacturers, 1983

<u>Manufacturers</u>	<u>Percent of Total Retail Sales</u>
Cannon Mills	34%
J.P. Stevens	20
Fieldcrest	18
West Point Pepperell	15
All others	13

Source: Home Fashions Textiles, Fairchild Publications
(June 1984)

By Region

Preliminary information on the number of plants (establishments), employment and shipments by states for the home textiles industry has been released by the Census Bureau based on the 1982 census of manufactures.

North Carolina accounted for 14.9% of curtain and draperies shipments followed by Massachusetts with 12.3%. California accounted for 12.9% of drapery hardware, blinds and shades shipments.

Leading Manufacturing States in Home Textiles & Related Products, 1982*

	<u>Number of Establishments</u>		<u>Number of Employees (Thousands)</u>	<u>Value of Shipments (Mil. \$)</u>
	<u>Total</u>	<u>With 20+ Employees</u>		
Curtains & draperies (SIC 2391)				
U.S. total	1,370	253	24.0	\$1,057.4
Leading states:				
California	319	43	3.3	124.5
New York	108	27	1.8	126.1
Florida	105	11	1.0	37.5
Texas	100	16	1.7	86.0
Illinois	57	6	2.1	18.1
Pennsylvania	54	12	0.8	23.3
Massachusetts	51	29	2.8	129.9
New Jersey	38	5	0.6	19.2
North Carolina	34	14	3.6	157.6
Georgia	31	12	1.4	86.9
Indiana	27	8	0.7	32.8
South Carolina	17	7	0.5	15.2
Alabama	15	4	0.5	13.6

(continued)

GENERAL INDUSTRY STATISTICS

By Region

Leading Manufacturing States in Home Textiles & Related Products, 1982* (continued)

	Number of Establishments		Number of Employees (Thousands)	Value of Shipments (Mil. \$)
	Total	With 20+ Employees		
Drapery hardware, blinds & shades (SIC 2591), U.S. total	430	126	15.7	\$1,113.7
Leading states:				
New York	74	15	1.1	66.2
California	57	20	2.6	144.5
Florida	57	15	0.7	44.4
Texas	29	10	0.7	53.8
Illinois	24	7	1.3	110.0
New Jersey	23	9	1.5	72.3
Pennsylvania	16	4	0.5	46.3
Connecticut	11	11	0.7	39.6
Michigan	9	2	(D)	(D)
Georgia	8	2	0.6	30.0
Maryland	8	3	(D)	(D)
Wisconsin	5	3	(D)	(D)
Rhode Island	1	1	(D)	(D)

* preliminary figures

(D) withheld to avoid disclosure

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Preliminary Industry Series.

PRODUCTION

The U.S. Bureau of the Census issues quarterly reports on production and shipments of sheets, pillowcases and towels in their Current Industrial Reports series. These reports are based on surveys made among all U.S. firms engaged in the manufacture of these products.

While domestic production of sheets (flat and fitted) remained even in the first quarter of 1984 compared with the same period in 1983, production of pillowcases, terry-woven towels, huck and crash towels and terry washcloths all registered significant declines. These three classifications recorded declines of 3.1%, 6.2% and 7.0%, respectively.

Preliminary data for the full year 1983 indicates that the declines registered by home textiles in 1982 had reversed. Every major category measured in 1983 recorded increased production. The largest gains were recorded by terry-woven towels, up 21.6% to 50.1 million dozen; pillowcases, up 14.2% to 13.6 million dozen.

Revised production figures for 1981 and 1982 are summarized below.

PRODUCTION

Production of Sheets, Pillowcases & Towels, 1981, 1982

	Quantity (Thous. Dozen Units)		% Change 1982/1981
	1982	1981	
Sheets & pillowcases, total	26,812	31,853	- 15.8%
Crib size sheets	538	641	- 16.1
Total sheets	14,285	16,771	- 14.8
By type:			
Flat sheets	8,601	10,102	- 14.9
Polyester/cotton blends	8,306	9,722	- 14.6
All other fabrics & blends	295	380	- 22.4
Fitted sheets	5,684	6,669	- 14.8
Polyester/cotton blends	5,417	6,355	- 14.8
All other fabrics & blends	267	284	- 6.0
Pillowcases, total	11,989	14,441	- 17.0
Polyester/cotton blends	11,482	13,781	- 16.7
All other fabrics & blends	507	660	- 23.2
Finished terry towels, total	41,167	44,931	- 8.4
By type:			
Sheared	15,198	17,283	- 12.1
Nonsheared	25,969	27,648	- 6.1
By end use:			
Kitchen	5,110	6,140	- 16.8
Bath size	19,208	21,102	- 9.0
Hand, face, guest & fingertip	15,445	15,829	- 2.4
Bath/tub mats	474	542	- 12.5
All other towels, including larger than bath, i.e., queen/king bath towels, beach towels, etc.	930	1,318	- 29.4
Huck & crash towels including dish towels	26,467	25,892	+ 2.2
Terry washcloths	22,209	22,670	- 2.0

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Sheets, Pillowcases & Towels,
MQ-23X(82)-5.

Current production estimates of other types of home textiles, not covered in the U.S. Bureau of the Census reports, are available from the National Cotton Council of America. This source indicates that the turn-around in production of sheets, pillowcases and towels carried over into almost all the other segments of the home textiles industry. The only category to report a decline in production was the mattress-covers group, which showed a slight decline of 1.0%.

The largest increase in production reported by the National Cotton Council in 1983 was on comforters and quilts, which registered an increase of 28.8% to 17,854,000 units.

PRODUCTION

Production of Selected Home Textiles by Type, 1982, 1983

	Unit of Measure	1983(p)	1982	% Change 1983/1982
Curtains, excluding shower	1,000 sets	115,458	104,764	+ 10.2%
Lace		1,748	1,433	+ 22.0
Other, principally woven		113,710	103,331	+ 10.0
Cafe, tiered & cottage		64,795	58,863	+ 10.1
Ruffled		5,916	5,378	+ 10.0
Shortie drapes		11,965	10,877	+ 10.0
Tailored		31,034	28,213	+ 10.0
Drapery, upholstery & slip				
cover fabrics	1,000 lin. yds.	820,079	745,729	+ 10.0
Drapery fabrics		469,340	417,919	+ 12.3
Mainly woven		401,145	354,169	+ 13.3
Lining, woven		68,195	63,750	+ 7.0
Upholstery & slip covers fabrics	1,000 lin. yds.	350,739	327,810	+ 7.0
Coated		56,103	52,450	+ 7.0
Knit		16,257	15,210	+ 6.9
Woven		39,846	37,240	+ 7.0
Uncoated, woven		294,636	275,360	+ 7.0
Window shades, woven, plastic & nonwoven	1,000 units	21,220	24,965	- 15.0
Slip covers, furniture, excluding plastic	1,000 units	7,861	7,602	+ 3.4
Knit		6,263	6,081	+ 3.0
Slip covers		2,505	2,432	+ 3.0
Throw covers		3,758	3,649	+ 3.0
Woven		1,598	1,521	+ 5.1
Slip covers		144	137	+ 5.1
Throw covers		767	730	+ 5.1
Sleep covers		687	654	+ 5.0
Comforters & quilts, excluding filling	1,000 units	17,854	13,867	+ 28.8
Bedspreads	1,000 units	27,158	26,207	+ 3.6
Tailored		16,852	15,604	+ 8.0
Tufted		2,686	2,827	- 5.0
Woven		7,620	7,776	- 2.0
Jacquard		3,200	3,266	- 2.0
Other woven		4,420	4,510	- 2.0
Mattress coverings, woven & plastic	1,000 units	2,794	2,822	- 1.0
Pads, quilted, excluding fillings	1,000 units	27,012	26,482	+ 2.0
Bassinet, crib & furniture, woven & plastic		5,132	5,138	- 0.1
Mattress, woven		21,880	21,344	+ 2.5

(continued)

PRODUCTION

Production of Selected Home Textiles by Type, 1982, 1983 (continued)

	<u>Unit of Measure</u>	<u>1983(p)</u>	<u>1982</u>	<u>% Change</u> <u>1983/1982</u>
Pillows & cushions, excluding fillings, woven	1,000 units	64,838	61,336	+ 5.7%
Bed		41,537	39,559	+ 5.0
Decorative		23,301	21,777	+ 7.0
Textile table cloths, napkins & place mats, excluding plastic	1,000 sq. yds.	128,129	112,296	+ 14.1
Damask		17,303	15,312	+ 13.0
Lace		21,169	17,641	+ 20.0
Other, woven		89,657	79,343	+ 13.0
Coated		19,724	17,455	+ 13.0
Uncoated		69,933	61,888	+ 13.0
Blankets & blanketing	1,000 lin. yds.	77,936	71,637	+ 8.8
Bed		70,607	64,733	+ 9.1
Thermal woven		22,263	18,323	+ 21.5
Cotton		3,574	2,749	+ 30.0
Other		18,689	15,574	+ 20.0
Other woven & non-woven		48,344	46,410	+ 4.2
Cotton & cotton blends		9,171	8,818	+ 4.0
Other		39,173	37,592	+ 4.2
Crib & receiving		7,329	6,904	+ 6.2
Thermal woven		1,075	890	+ 20.8
Cotton		131	103	+ 27.2
Other		944	787	+ 19.9
Other woven & non-woven		6,254	6,014	+ 4.0
Cotton & cotton blends		4,344	4,177	+ 4.0
Other		1,910	1,837	+ 4.0

(p) preliminary

Source: National Cotton Council of America,
Cotton Counts Its Customers,
1984 Edition.

MATERIALS CONSUMED IN PRODUCTION

The 1982 census of manufactures report on the home textiles industry included the cost of materials consumed or put into production by plants classified in this industry. Following are findings compared with the previous census data, covering the year 1977.

MATERIALS CONSUMED IN PRODUCTION

Delivered Cost of Materials Consumed in the Production of Home Textiles, 1977, 1982

	Delivered Cost (Mil. \$)		% Change 1982/1977
	1982	1977	
Curtains & draperies (SIC 2391)			
Materials, containers & supplies, total	\$563.4	\$542.5	+ 3.9%
Broad woven fabrics:			
Cotton	42.0	113.3	- 62.9
Rayon & acetate	53.6	85.8	- 37.5
Nylon	1.8	11.0	- 83.6
Polyester	131.7	101.6	+ 29.6
Other broad woven fabrics	71.0	41.4	+ 71.5
Plastics products consumed	0.6	1.1	- 45.4
All other materials, containers & supplies, including n.s.k.	262.7	188.5	+ 39.5

na not available

n.e.c. not elsewhere classified.

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Industry Series.

According to the Textile Economics Bureau, every category of home textiles recorded a decrease in consumption of fibers between 1981 and 1982. The largest of these declines was in the curtains group which measured a 25.5% decrease to 61.3 million pounds of fiber.

The largest category measured, sheets and other bedding, recorded a decline of 16.9% during the period, falling from 534.4 million pounds to 444.0 million pounds.

Consumption of Fibers in Selected Home Textiles, 1981, 1982

	Millions of Pounds		% Change 1982/1981
	1982	1981	
Curtains, total ¹	61.3	82.2	- 25.5%
Man-made fibers, total	53.3	73.4	- 27.4
Cellulosic yarn	1.3	5.6	- 76.8
Cellulosic staple	5.3	6.8	- 22.1
Noncellulosic yarn	18.3	25.2	- 27.4
Noncellulosic staple	28.4	35.8	- 20.7
Cotton	8.0	8.8	- 9.1

(continued)

MATERIALS CONSUMED IN PRODUCTION

Consumption of Fibers in Selected Home Textiles, 1981, 1982 (continued)

	<u>Millions of Pounds</u>		<u>% Change</u>
	<u>1982</u>	<u>1981</u>	<u>1982/1981</u>
Drapery & upholstery, total ²	376.5	468.0	- 19.6
Man-made fibers, total	245.2	322.7	- 24.0
Cellulosic yarn	15.9	21.4	- 25.7
Cellulosic staple	57.7	91.4	- 36.9
Noncellulosic yarn	79.4	103.5	- 23.3
Noncellulosic staple	92.2	106.4	- 13.3
Cotton	119.8	132.6	- 9.7
Wool	11.5	12.7	- 9.4
Blankets & blanketing, total ³	79.2	90.5	- 12.5
Man-made fibers, total	68.0	78.9	- 13.8
Noncellulosic yarn	2.5	3.5	- 28.6
Noncellulosic staple	65.5	74.5	- 12.1
Cotton	7.2	7.1	+ 1.4
Wool	4.0	4.5	- 11.1
Bedspreads & quilts, total ⁴	116.8	125.4	- 6.9
Man-made fiber, total	70.2	75.7	- 7.3
Cellulosic yarn	3.8	4.9	- 22.4
Cellulosic staple	2.4	3.1	- 22.6
Noncellulosic yarn	14.0	15.7	- 10.8
Noncellulosic staple	50.0	52.0	- 3.8
Cotton	46.6	49.7	- 6.2
Towels & toweling, total ⁵	306.6	326.7	- 6.2
Man-made fibers, total	28.7	32.6	- 12.0
Cellulosic staple	0.6	0.9	- 33.3
Noncellulosic yarn	0.8	0.3	+166.7
Noncellulosic staple	27.3	31.4	- 13.1
Cotton	277.9	294.1	- 5.5
Sheets & other bedding, total ⁶	444.0	534.4	- 16.9
Man-made fibers, total	243.4	299.5	- 18.7
Cellulosic yarn	3.9	2.6	+ 50.0
Cellulosic staple	10.6	13.8	- 23.2
Noncellulosic yarn	43.2	34.0	+ 27.1
Noncellulosic staple	185.7	249.1	- 25.5
Cotton	200.6	234.9	- 14.6
Other home furnishings, total ⁷	57.3	66.8	- 14.2
Man-made fiber, total	35.7	43.0	- 17.0
Cellulosic yarn	1.1	1.2	- 8.3
Cellulosic staple	1.1	2.3	- 52.6
Noncellulosic yarn	20.5	15.8	+ 29.7
Noncellulosic staple	13.0	23.7	- 45.1
Cotton	21.6	23.8	- 9.2

(continued)

MATERIALS CONSUMED IN PRODUCTION

(Footnotes from Preceding Table)

1. Lace, ruffled, cottage, cafe, tiered, shortie drapes & tailored.
2. Includes furniture slipcovers and vinyl-coated fabrics for upholstery. Also includes the backing and headers of drapery fabrics. The cotton data includes cotton drapery linings.
3. Includes tailored and throw spreads (tufted and woven), as well as their backing, comforters and their outer shell.
4. Includes woven, knitted, needle-punched and flocked full-sized and crib blankets and electric blanket shells as well as the woven acetate or nylon filament yarn bindings. Sizable poundages of rayon, acrylic, nylon and wool waste are also included.
5. Includes woven hand, bath, dish and other towel types. The large cotton waste poundage used in these products is not included.
6. Sheets includes pillowcases. Other bedding includes the outside cover of quilted pads, mattress pads, mattresses and innersprings, cots and sleeping bags.
7. Includes woven and lace napery, such as tablecloths, napkins and doilies. Also includes man-made fibers used in insect screening and netting as well as cotton used in window shades.

Source: Textile Economics Bureau, Inc.,
Textile Organon, (November 1983).

SHIPMENTS

Preliminary data on the quantity and value of shipments indicates that all five measured categories of home textiles registered increases in 1983 compared to 1982. However, after the dramatic fall in shipments in 1982, the 1983 increase does not return the category to its 1981 levels.

The largest gain in shipments in 1983 was in terry towels, which rose 24.5% on a quantity basis and 22.5% in dollar volume. The second largest increase was recorded by terry washcloths up 11.7% in units and 14.8% in dollars.

Quantity & Value of Shipments, 1982, 1983
 (Quantity in 1,000 doz.; value \$1,000)

	Quantity			Value		
	1983(p)	1982	% Change 1983/1982	1983(p)	1982	% Change 1983/1982
Sheets, flat & fitted	15,102	14,193	+ 6.4%	\$883,661	\$851,332	+ 3.8%
Crib sheets	579	538	+ 7.6	19,107	17,546	+ 8.9
Terry towels	51,368	41,270	+ 24.5	988,916	807,191	+ 22.5
Pillow cases	12,998	12,247	+ 6.1	240,762	238,367	+ 1.0
Terry washcloths	24,017	21,496	+ 11.7	131,999	114,944	+ 14.8

Source: U.S. Bureau of the Census,
 Current Industrial Reports,
Sheets, Towels & Pillow Cases,
 MQ23X(83)-4; MQ23X(83)-3; MQ23X(83)-2

SHIPMENTS

A more detailed report on the quantity and value of shipments for selected home textiles is available for 1982 and 1981 as shown below.

Quantity & Value of Shipments of Sheets, Pillowcases & Towels By All Producers, 1981, 1982

	Quantity (Thous. Units)			Value of Shipments (Mil. \$)		
	1982	1981	% Change 1982/1981	1982	1981	% Change 1982/1981
Sheets & pillowcases, total	27,032	31,070	- 13.0%	\$1,107.2	\$1,226.0	- 9.7%
Crib size sheets	565	616	- 8.3	17.5	18.1	- 3.3
Total sheets	14,193	16,310	- 13.0	851.3	941.2	- 9.5
By type:						
Flat sheets	8,711	9,980	- 12.7	520.9	575.8	- 9.5
Polyester/cotton blends	8,371	9,562	- 12.5	499.7	546.3	- 8.5
All other fabrics & blends	340	418	- 18.7	21.2	29.5	- 28.1
Fitted sheets	5,482	6,330	- 13.4	330.5	365.4	- 9.6
Polyester/cotton blends	5,216	6,002	- 13.1	313.7	343.4	- 8.6
All other fabrics & blends	266	328	- 18.9	16.7	22.1	- 24.4
By size:						
King size	1,211	1,272	- 4.8	117.3	121.2	- 3.2
Queen size	2,185	2,315	- 5.6	175.9	182.0	- 3.4
Full size	4,962	6,092	- 18.5	285.1	336.0	- 15.1
Twin size	5,513	6,213	- 11.3	259.0	286.6	- 9.6
Single size & smaller	322	418	- 23.0	14.0	16.4	- 14.6
Pillowcases, total	12,274	14,144	- 13.2	238.4	266.7	- 10.6
Polyester/cotton blends	11,722	13,448	- 12.8	227.0	251.4	- 9.7
All other fabrics & blends	552	696	- 20.7	11.3	15.3	- 26.1
Finished terry towels, total	41,267	43,247	- 4.6	812.8	850.5	- 4.4
By type:						
Sheared	14,557	16,466	- 11.6	305.5	356.6	- 14.3
Nonsheared	26,710	26,781	- 0.3	507.3	493.8	+ 2.7
By end use:						
Kitchen	5,187	5,873	- 11.7	43.1	42.9	+ 0.5
Bath size	19,177	20,291	- 5.5	515.3	541.8	- 4.9
Hand, face, guest & fingertip	15,493	15,428	+ 0.4	194.2	203.4	- 4.5
Bath/tub mats	516	519	- 0.6	19.2	18.3	+ 4.9
All other towels, including queen/king bath towels, beach towels, etc.	894	1,136	- 21.3	40.9	44.1	- 7.3
Terry towels sold for further processing elsewhere (i.e., blanks)	6,626	5,820	+ 13.8	90.6	81.8	+ 10.8
Huck & crash towels, including dish towels	26,152	26,710	- 2.1	18.7	18.4	+ 1.6
Terry washcloths	21,496	22,283	- 3.5	114.9	120.8	- 4.9

Source: U.S. Bureau of the Census, Current Industrial Reports
Sheets, Pillowcases & Towels, MQ-23X(82)-5

SHIPMENTS

The latest source of information on shipments of home textiles, other than sheets, pillowcases and towels, is in preliminary data from the 1982 census of manufactures. In the table below, this data is compared with findings in the last census, covering the year 1977.

Quantity & Value of Shipments of Curtains & Draperies
Shipped by All Producers, 1977, 1982
 (Quantity in million units unless otherwise noted)

	Quantity			Value (Mil. \$)		
	1982(p)	1977	% Change 1982/1977	1982(p)	1977	% Change 1982/1977
Curtains & draperies, except lace total (in millions of pairs or sets)	na	na	--	\$986.2	\$936.7	+ 5.3%
Window curtains:						
Wholly or chiefly cotton	9.4	14.9	- 36.9%	58.2	45.6	+ 27.6
Wholly or chiefly man-made:						
Glass fiber fabrics	1.1	1.6	- 31.3	5.8	7.7	- 24.7
Other man-made fabrics	46.4	37.4	+ 24.1	199.9	162.8	+ 22.8
Other materials, including plastics	4.4	2.0	+120.0	25.6	17.7	+ 44.6
Draperies:						
Wholly or chiefly cotton	(S)	12.5	--	76.6	12.73	- 39.8
Wholly or chiefly man-made:						
Glass fiber fabrics	(S)	2.9	--	12.8	20.1	- 36.3
Other man-made fabrics	17.3	26.0	33.5	250.4	256.6	- 5.7
Other materials, including plastics	4.9	2.4	+104.2	55.1	26.6	+107.1
Curtains & draperies, n.s.k.	na	na	--	301.8	263.3	+ 14.6

(p) preliminary

(S) suppressed, does not meet publication standards.

Source: U.S. Department of Commerce,
 1982 Census of Manufactures,
 Preliminary Report Industry Series,
 MC82-I-23E-1(P) July 1984

SHIPMENTS

Quantity & Value of Shipments of Drapery Hardware, Blinds & Shades Shipped
By All Producers, 1977, 1982
 (Quantity in millions of units, unless otherwise noted)

	Quantity			Value (Mil. \$)		
	1982(p)	1977	% Change 1982/77	1982(p)	1977	% Change 1982/77
Drapery hardware, blinds & shades, total	na	na	--	\$986.3	\$615.3	+ 60.3%
Window shades & accessories	na	na	--	179.6	140.3	+ 28.0
Plastic window shades	33.5	29.3	+14.3%	108.4	63.0	+ 72.1
Other window shades	(S)	(S)	--	52.6	48.6	+ 8.2
Window shades & rollers sold separately	na	na	--	9.6	18.7	- 48.7
Window shades & accessories, n.s.k.	na	na	--	9.0	10.0	- 10.0
Venetian blinds	na	na	--	406.5	99.0	+310.6
Complete, incl. vertical & horizontal:						
Aluminum slat blinds	(S)	(S)	--	245.4	52.3	+369.2
All others	(S)	(D)	--	84.7	(D)	--
Unassembled blinds, parts & components	na	na	--	70.7	(D)	--
Venetian blinds, n.s.k.	na	na	--	5.7	13.0	- 56.2
Other shades & blinds, n.e.c., & curtain & drapery poles & other hardware	na	na	--	288.9	320.3	- 9.8
Other shades & blinds, exc. canvas & other textile fabrics, incl. wood, metal, plastics, chip, bamboo, rattan, reed, etc.	na	na	--	42.0	72.1	- 41.7
Curtain & drapery rods, poles, fixtures fabricated in the same plant, exc. window shade accessories	na	na	--	238.7	341.3	- 30.0
Other shades & blinds, n.s.k.	na	na	--	8.2	6.9	+ 18.8
Drapery hardware, blinds & shades, n.s.k.	na	na	--	111.3	55.7	+ 99.8

(p) preliminary

na not available

(S) suppressed, does not meet publication standards

(D) Withheld to avoid disclosure

n.s.k. not specified by kind

Source: U.S. Department of Commerce,
 1982 Census of Manufactures,
Preliminary Reports, Industry Series
 MC82-I-25B-6(P), March 1984.

PRODUCER PRICES

In June 1983, the Bureau of Labor Statistics redefined the producer price index categories covering the home textiles market. Therefore, a full year's change in the producer price index is not yet available.

The latest producer price indexes available are shown below.

Producer (Factory) Price Indexes for Home Textiles (June 1983 = 100)

	<u>March</u> <u>1984</u>	<u>June</u> <u>1983</u>	<u>Percent</u> <u>Change</u>
Specified home textiles	100.2	100.0	+ 0.2%
Home textiles, except spreads, towels, sheets, pillowcases, washcloths	98.7	100.0	- 1.3
Shower/bath curtains, incl. plastic	82.0	100.0	- 18.0
Comforters & wadded quilts	98.0	100.0	- 2.0
Napkins, exc. paper	92.8	100.0	- 7.2
Place mats & place mat sets, incl. plastic	88.6	100.0	- 11.4
Bed pillows	101.4	100.0	+ 1.4
Fancy pillows & cushions	105.3	100.0	+ 5.3
Foam	101.4	100.0	+ 1.4
Bed spreads & sets	101.2	100.0	+ 1.2
Quilted bed spreads & sets	101.1	100.0	+ 1.1
Sheets & pillowcases made from woven fabric	102.7	100.0	+ 2.7
Towels & washcloths from woven material	102.0	100.0	+ 2.0
Terry woven towels, sheared & nonsheared	102.9	100.0	+ 2.9
Other terry woven towels	101.3	100.0	+ 1.3

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

Imports

According to the U.S. Department of Commerce, seven out of eight measured categories of home textile imports registered gains in 1983. The only group to mark a decline was cotton shop towels.

The largest home textile classification in import data covered in 1983 was towels of vegetable fibers. The value of imports reached \$117.9 million in 1983.

This increase in imports has accelerated over the first four months of 1984. During this period the U.S. Department of Commerce reported (HFD - July 2, 1984) that U.S. imports of all-cotton sheets jumped 146.2% to 27% of the U.S. market, while cotton towel imports were up 47.4%, moving to 14% of the market.

FOREIGN TRADE

Imports

Imports of Specified Home Textiles
By Leading Country of Origin, 1982, 1983
 (Quantity in thousands of units, unless otherwise stated)

	Quantity		% Change 1983/1982	C.I.F. Value* (Thous. \$)		% Change 1983/1982
	1983	1982		1983	1982	
Sheets & pillowcases of vegetable fibers, nspf	6,839.2	4,407.9	+ 55.2%	\$26,650	\$15,970	+ 66.9%
Portugal	1,880.8	748.1	+151.5	7,764	3,684	+110.7
Mainland China	1,570.4	1,850.1	- 15.1	3,893	3,792	+ 2.7
Hong Kong	645.7	194.7	+231.6	2,082	648	+221.3
Curtains & draperies, of vegetable fiber, not ornamented, nspf	84.1	50.9	+ 65.2	498	395	+ 26.1
Mainland China	32.7	na	--	65	na	--
United Kingdom	13.1	41.4	- 68.4	155	275	- 43.6
Canada	10.7	na	--	84	na	--
Towels, of vegetable fibers, not ornamented, nspf	206,419.5	200,963.7	+ 2.7	117,886	115,106	+ 2.4
Pakistan	107,915.5	85,858.7	+ 25.7	32,924	33,352	- 1.3
Mainland China	36,274.6	64,255.8	- 43.5	17,825	25,055	- 28.9
Taiwan	18,303.6	9,338.7	+ 96.0	15,894	10,867	+ 46.3
Shop towels, cotton, not ornamented, jacquard-figured, or pile or tufted	93,867.5	94,189.4	- 0.3	8,173	8,350	- 2.1
Mainland China	51,612.3	84,102.0	- 38.6	4,433	7,330	- 39.5
Pakistan	28,479.1	6,648.4	+328.4	2,496	658	+279.3
Hong Kong	7,062.4	1,779.0	+297.0	678	189	+258.7
Blankets & traveling rugs, vegetable & man-made fibers, nspf	1,838.2	730.1	+151.8	11,884	5,520	+115.3
Spain	704.5	71.2	+889.5	5,367	934	+474.6
Fr. Germany	515.2	301.7	+ 70.8	3,533	2,766	+ 27.7
Mainland China	129.2	84.5	+ 52.9	387	274	+ 41.2
Bedding, textile material, nspf (1,000 lbs.)	4,404.9	3,613.2	+ 21.9	22,530	18,406	+ 22.4
Mexico	1,086.7	860.1	+ 26.3	3,824	3,176	+ 20.4
India	704.6	1,082.7	- 34.9	2,960	3,952	- 25.1
Mainland China	571.2	338.9	+ 68.5	3,955	4,082	- 3.1
Tablecloths & napkins of vegetable fibers, not ornamented, nspf	5,140.1	5,325.9	- 3.5	14,699	14,410	+ 2.0
Mainland China	1,481.3	1,134.2	+ 30.6	3,770	2,772	+ 36.0
Pakistan	777.1	885.5	- 12.3	1,570	1,701	- 7.7
Hong Kong	593.6	916.8	- 35.3	1,248	2,124	- 41.2

(continued)

FOREIGN TRADE

Imports

Imports of Specified Home Textiles
By Leading Country of Origin, 1982, 1983
(Quantity in thousands of units, unless otherwise specified)
(continued)

	Quantity		% Change 1983/1982	C.I.F. Value* (Thous. \$)		% Change 1983/1982
	1983	1982		1983	1982	
Blankets & traveling rugs, wool (quantity in 1,000 lbs.)	445.3	247.0	+ 80.3%	\$ 2,196	\$ 2,075	+ 5.8%
United Kingdom	116.1	87.9	+ 32.1	1,057	869	+ 21.6
Uruguay	110.9	36.6	+203.0	505	163	+209.8
Iceland	24.9	32.6	- 23.6	245	231	+ 6.1

nspf not specially provided for

* The C.I.F. value is the import value at the first port of entry in the U.S. It is based on the purchase price as well as all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports,
FT 135, December 1982, 1983

Exports

Eleven of the thirteen measured categories of home textiles exported by the U.S. registered a decline on a dollar basis in 1983. The largest of these declines was recorded in cotton blankets, whose value of exports fell 63.9% between 1982 and 1983. The second largest decline was recorded in the sheets group, with value of exports off 44.4% during the same period.

The largest category of U.S. exports in 1983 was towels and washcloths which fell by 9.9% on a unit basis while declining 7.3% on a dollar basis.

The strength of the U.S. dollar, plus a continuing lag in the economies of many countries abroad, are factors in the drop in exports.

FOREIGN TRADE

ExportsQuantity & Value of Exports of Specified Home Textiles, 1982, 1983

	Quantity (Thous. Units)		% Change 1983/1982	Value* (Thous. \$)		% Change 1983/1982
	1983	1982		1983	1982	
Sheets, total	5,899.2	10,992.5	- 46.3%	\$33,547	\$60,307	- 44.4%
Cotton	3,397.2	5,992.5	- 43.3	19,044	29,421	- 35.3
Man-made	2,502.0	5,000.0	- 50.0	14,503	30,886	- 53.0
Pillowcases, incl. bolsters, total	1,861.1	2,400.9	- 22.5	7,281	9,233	- 21.1
Cotton	1,069.1	1,457.5	- 26.6	4,809	6,089	- 21.0
Man-made	792.5	943.4	- 16.0	2,472	3,144	- 21.4
Sheets & pillowcases of textile materials, exc. cotton & man-made, total	2,776.6	4,778.4	- 41.9	13,951	19,106	- 27.0
Bedspreads, total	1,007.8	1,094.9	- 8.0	9,824	12,245	- 19.8
Cotton	587.5	581.2	+ 1.1	5,628	6,906	- 18.5
Other textile fibers	420.3	513.7	- 18.2	3,656	5,339	- 31.5
Coverlets, quilts & comforters, total	163.2	194.7	- 16.2	2,614	2,854	- 8.4
Cotton	53.8	68.1	- 21.0	640	941	- 32.0
Other textile fibers	109.4	126.6	- 13.6	1,974	1,913	+ 3.2
Blankets, cotton	129.1	492.1	- 73.8	899	2,493	- 63.9
Other blankets, exc. electric, of other textile fibers, exc. cotton, total	292.7	456.1	- 35.8	1,996	2,931	- 31.9
Other bedding, incl. mattress & pillow covers of text. fibers, ns pf, total	374.4	759.7	- 50.7	2,082	3,037	- 31.4
Curtains & drapes, net or lace, of textile fibers, total	89.5	118.0	- 24.1	411	430	- 4.4
Other curtains & drapes, total	1,503.5	1,059.2	+ 41.9	13,170	10,573	+ 24.6
Cotton	367.6	238.4	+ 54.2	1,633	1,133	+ 44.1
Man-made	202.2	197.9	+ 2.2	3,038	22,452	+ 86.5
Other	933.7	622.9	+ 49.9	8,499	6,988	+ 21.6
Towels & wash cloths, total	8,568.8	9,511.9	- 9.9	31,198	33,649	- 7.3
Cotton	6,860.9	7,652.2	- 10.3	24,965	27,659	- 9.7
Other	1,707.9	1,859.4	- 8.1	6,233	5,990	+ 4.1
Tablecloths & napkins, total	1,635.9	1,896.5	- 13.7	6,717	7,498	- 10.4
Cotton	464.3	674.3	- 31.1	2,274	2,932	- 22.4
Other	1,171.6	1,222.2	- 4.1	4,443	4,566	- 2.7

(continued)

FOREIGN TRADE

Exports

Quantity & Value of Exports of Specified Home Textiles, 1982, 1983 (continued)

	Quantity (Thous. Units)		% Change 1983/1982	Value* (Thous. \$)		% Change 1982/1983
	1983	1982		1982	1983	
Other furnishings, incl. tapestries, of textile fibers, nsfp (lbs.) total	1,194.8	1,026.7	+ 16.4	\$4,815	\$4,569	+ 5.4%

*F.A.S. value is the value at the U.S. port of export, based on the transaction price including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. The value, as defined, excludes the cost of loading the merchandise aboard the carrier as well as any other costs beyond the port of exportation.

nsfp not specially provided for.

Source: U.S. Bureau of the Census,
U.S. General Exports, December 1982, 1983.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

A major catalyst to home textiles sales lies in the formation of new households. With the baby boom generation of the 1950's and 60's now in their prime years, the number of new households has risen dramatically. Between 1970 and 1983, the number of households in the U.S. rose a whopping 32.4% to a total of 83.9 million units.

Households in 1983 tend to be quite different from the pattern some years ago. The most dramatic difference is in the size of the household. In 1970, only one in ten households contained one person. By 1983, this figure has doubled to nearly one in five. Conversely the number of large households (five or more persons) has tumbled during this period. Households of this size accounted for 20.9% of the total in 1970 compared with 12.8% in 1983.

U.S. Households by Size & by Marital Status of Head, 1983

	Number of Households (Mil. Units)			% Change		% of total Households		
	1983	1980	1970	1983/ 1980	1983/ 1970	1983	1980	1970
Total	83.9	79.1	63.4	+ 6.1%	+ 32.3%	100.0%	100.0%	100.0%
Household size:								
1 person	19.2	17.8	10.9	+ 7.9	+ 76.1	22.9	22.5	17.1
2 persons	26.4	24.7	18.3	+ 6.9	+ 44.3	31.5	31.2	28.9
3 persons	14.8	13.8	10.9	+ 7.2	+ 35.8	17.6	17.4	17.3
4 persons	13.3	12.5	10.0	+ 6.4	+ 33.0	15.9	15.8	15.8

(continued)

THE POTENTIAL MARKET

U.S. Households by Size & by Marital Status of Head, 1983 (continued)

	Number of Households (Mil. Units)			% Change		% of total Households		
	1983	1980	1970	1983/ 1980	1983/ 1970	1983	1980	1970
Household size: (cont'd.)								
5 persons	6.1	6.0	6.6	+ 1.7	- 7.6	7.3%	7.6%	10.3%
6 persons	2.5	2.5	3.5	--	- 28.6	2.9	3.2	5.6
7 or more persons	1.6	1.8	3.2	- 11.1	- 50.0	1.9	2.3	5.0
Marital status of head of household:								
Married, spouse present	49.9	48.1	52.4	+ 3.7	- 4.8	59.5	60.8	82.6
Married, spouse absent	3.8	3.7	1.0	+ 2.7	+280.0	4.5	4.7	1.6
Separated	3.0	2.9	na	+ 3.4	na	3.6	3.7	na
Widowed	10.9	10.5	5.7	+ 3.8	+ 91.2	13.0	13.3	9.0
Divorced	8.9	7.4	1.5	+ 20.3	+493.3	10.6	9.4	2.4
Single, never married	10.4	9.4	2.8	+ 10.6	+271.4	12.4	11.9	4.4

na = not available

Source: U.S. Bureau of the Census,
Current Population Reports,
Population Characteristics,
Series P-20, Nos. 388, 366, 349

A rise in the number of marriages, as well as the growing tendency of singles to live alone, are factors in the growth in households. Better economic conditions also help, cutting down on doubling-up. According to the National Center for Health Statistics, preliminary figures for 1983 indicate the first decline in the number of marriages performed since 1975. The center reported 2,444,000 marriages in 1983, 2% less than in 1982, but still a larger number than in 1981. The marriage rate also dropped in 1983, falling to 10.5 per 1,000 population.

Marriages & Marriage Rates in the U.S., 1978 - 1983

<u>Year</u>	<u>Number</u>	<u>Rate per 1,000 of Total Population</u>
1983(p)	2,444,000	10.5
1982	2,495,000	10.8
1981	2,438,000	10.6
1980	2,390,252	10.6
1979	2,331,337	10.4
1978	2,282,272	10.3

(p) preliminary

Source: U.S. Dept. of Health & Human Services,
National Center for Health Statistics,
Monthly Vital Statistics Report.

THE POTENTIAL MARKET

Another major boom for the home textiles market is new housing. After two difficult years, (1981 & 1982) the number of housing starts, as well as the number of authorized housing permits, skyrocketed in 1983. Housing resales were also estimated to have risen dramatically in 1983 after off-performances in 1981 and 1982.

Analysts believe that the rise in building should continue as long as interest rates remain stable. However, many analysts believe that a rise of interest rates above 15% could again choke off sales in the housing industry.

In the first three months of 1984, starts of privately-owned housing were 15% above the total in the same 1983 period.

U.S. Privately-Owned Housing Activity, 1981-1983 (Thousands of Units)

	<u>1983(p)</u>	<u>1982</u>	<u>1981</u>	<u>% Change 1983/1982</u>
Housing starts (privately owned)	1,703.1	1,062.2	1,084.2	+ 60.3%
Housing permits authorized	1,596.8	1,000.5	985.5	+ 59.6
New housing sales	625.0	412.0	436.0	+ 51.7
Housing resales	2,704*	1,990.0	2,419.0	+ 35.9

* Estimate

Source: U.S. Bureau of the Census,
Construction Reports Division;
National Association of Realtors.

RETAIL SALES BY PRODUCT

According to the HFD Textiles Report, sales of home textiles in 1982 were estimated at \$11.1 billion. Window coverings, the biggest group of textiles, accounted for one-third of all home textiles sales in 1982, according to HFD. Bed linens was the second largest grouping (\$3.4 billion in sales).

The single largest product as far as sales are concerned was towels. Sales were reported at \$1.3 billion in 1982, followed by sheets and pillowcases, at \$1.295 billion.

Retail Sales of Major Home Textiles Categories, 1982 (Millions of Dollars)

	<u>1982</u>
Home textiles sales, total	\$ 11,068
Bed linens, total	3,444
Sheets & pillowcases	1,295
Blankets	682
Bedspreads	413
Mattress pads	190
Comforters	594
Bed pillows	270

(continued)

RETAIL SALES BY PRODUCT

Retail Sales of Major Home Textiles Categories, 1982 (Millions of Dollars) (continued)

	<u>1982</u>
Bath shop, total	\$ 2,063
Towels	1,326
Bath accessories	230
Shower curtains	165
Bath rugs, mats & carpets	342
Decorative home, total	1,284
Hollywood studio covers	15
Decorative pillows	158
Slipcovers (ready-made)	58
Furniture throws	61
Utility pillows	42
Decorative fabrics	500
Home sewing fabrics	450
Tabletop textiles, total	589
Table linens	345
Kitchen textiles	244
Window coverings, total	3,688
Curtains	645
Shades	425
Woven woods	140
Hardware	440
Draperiers	850
Vertical blinds	220
Mini blinds	880
Shutters	88

Source: HFD Textiles Report, May 23, 1983

RETAIL SALES BY TYPE OF OUTLET

The total retail market for home textiles is currently estimated at some \$15 billion. Two different reports, to be issued (according to the present schedule) by government sources later in 1984 should help in defining the size of the retail market more precisely, in terms of major product categories and outlet types.

One set of figures will be developed through the 1982 Census of Retail Trade, compiled by the U.S. Bureau of the Census. This will update information last compiled covering 1977 retail operations. (A complete census of retail trade is compiled every five years.)

RETAIL SALES BY TYPE OF OUTLET

As of July 1984, a few preliminary reports for specific outlet types have been issued by the Census Bureau which contain some information on trends in home textiles' contribution to total store volume, as noted in the following table.

Sales of Curtains, Draperies & Dry Goods As Percent of Total Store Sales 1982 & Earlier Census Years Where Reported

<u>Store Type</u>	<u>1982</u>	<u>1977</u>	<u>1972</u>	<u>1967</u>
Department stores*	5.0%	na	na	na
Variety stores	5.9	5.2%	6.4%	na
Floor covering stores	1.8	2.1	1.9	2.1%
Paint, glass, wallpaper stores	1.4	0.4	0.5	0.6

* Data for 1982 includes only owned departments, not leased departments. Comparable information is not available for earlier years. Discount stores that meet the definition of a department store are included in this store type.

na not available

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
Preliminary Reports.

The second set of figures is being developed by the U.S. Bureau of Labor Statistics. The study underway has been undertaken to update data for 1970-1971 consumer (family) expenditures by product, and will be used to revise weightings used in compiling the Consumer Price Index. Some figures will be released by the end of 1984, and detailed data by spring 1985, according to the BLS.

A trade source (The Discount Merchandiser, June 1984) estimates sales of home textiles in discount stores in 1983 at about \$3.3 billion. Many new developments have been taking place in the merchandising of home textiles. Conventional discounters have been trading up lines, while the off-price sector of discounting (such as K-mart) have opened specialized bed and bath outlets or expanded their home textiles departments.

Specialty stores were the major outlet for window coverings in 1982, according to the HFD Textile Report (May 23, 1983). This store type was the leader in five of the eight measured categories of window coverings in 1982.

Sales of other home textiles categories were distributed as follows in 1982, according to HFD estimates. As noted, there is considerable variation in market shares held by outlet types on specific products.

RETAIL SALES BY TYPE OF OUTLET

Percent of Dollar Sales of Major Home Textiles Categories By Type of Outlet, 1982

	Percent of Sales of Each Product by Outlet Type				
	Department Stores	Discount Stores	National Chains*	Specialty Stores	All Other Stores
Bed linens:					
Sheets & pillowcases	35%	37%	22%	4%	2%
Blankets	34	24	26	14	2
Bedspreads	26	19	32	22	1
Mattress pads	25	33	29	11	2
Comforters	28	22	32	17	1
Bed pillows	30	38	16	13	3
Bath shop:					
Towels	30	30	28	7	5
Bath accessories	27	20	20	32	1
Shower curtains	22	34	20	19	5
Bath rugs, mats & carpets	26	26	34	10	4
Decorative home:					
Hollywood studio covers	45	4	35	5	11
Decorative pillows	37	27	27	7	2
Slipcovers (ready-made)	10	10	53	3	24
Furniture throws	3	67	19	3	8
Utility pillows	13	56	27	3	1
Decorative fabrics	15	5	15	55	10
Home sewing fabrics	--	35	--	60	5
Tabletop textiles:					
Table linens	44	23	23	6	4
Kitchen textiles	24	37	23	9	7
Window coverings:					
Curtains	22	19	50	7	2
Shades	10	25	29	35	1
Woven woods	7	21	27	40	5
Hardware	5	22	37	33	3
Draperies	18	16	56	8	2
Vertical blinds	7	8	15	70	--
Mini blinds	11	12	11	65	1
Shutters	3	9	18	70	--

* Sears, Penney, Ward

Source: HFD Textiles Report,
May 23, 1983

RETAIL SALES BY TYPE OF OUTLET

Department Stores

According to the National Retail Merchants Association, sales per square foot in department stores with sales of \$1 million or more were higher for blankets, comforters and bed pillows than any other measured category of home textiles. The second highest sales per square foot was recorded by sheets and pillowcases (\$129.4).

Custom draperies and slipcovers had the highest number of stock turns of any measured home textiles, turning over an average of 4.0 times per year.

Merchandising & Operating Results of Specified Home Textiles In Department Stores With Sales Over \$1 Million, 1982 (Median Results)

	Total Upstairs Store (103)*	Domestics, Draperies & Home Goods (99)*	Custom Draperies & Slipcovers (35)*	Bath Shop (40)*
Net sales, % change from last year	+ 3.8%	+ 2.0%	- 4.1%	- 3.9%
Sales, % to total store	90.7	6.1	0.5	0.4
Sales, % to total division	--	100.0	9.3	6.5
Gross margin, % of sales (including cash discounts)	41.9	41.6	42.7	47.2
Markdowns, % of sales	14.4	11.2	6.3	8.9
Sales promotion, % of sales	3.1	4.1	5.2	3.7
Number of stock turns (times)	2.7	1.9	4.0	1.6
\$ sales per sq. ft. of selling space (main or largest selling unit)	\$109.0	\$ 74.2	\$ 49.5	\$ 96.0
	Linens & Domestics (96)*	Sheets & Pillowcases (48)*	Blankets, Comforters & Bed Pillows (46)*	Table Linens & Other Table Coverings (48)*
Net sales, % change from last year	+ 3.3%	+ 4.2%	+ 4.8%	+ 2.7%
Sales, % to total store	4.1	0.8	1.0	1.1
Sales, % to total division	66.4	12.9	16.2	19.6
Gross margin, % of sales (including cash discounts)	41.7	47.4	43.0	40.0
Markdowns, % to sales	10.0	11.2	11.5	11.5
Sales promotion, % to sales	4.2	4.9	4.8	4.4
Number of stock turns (times)	2.0	2.0	2.2	2.0
\$ sales per sq. ft. of selling space (main or largest selling unit)	\$ 95.6	\$129.4	\$133.6	\$ 87.1

(continued)

RETAIL SALES BY TYPE OF OUTLET

Department Stores

Merchandising & Operating Results of Specified Home Textiles

In Department Stores With Sales Over \$1 Million, 1982

(Median Results)

(continued)

	Towels (45)*	Window & Furniture Coverings (76)*
Net sales, % change from last year	+ 2.2%	- 0.5%
Sales, % to total store	1.0	1.0
Sales, % to total division	16.3	17.9
Gross margin, % of sales (including cash discounts)	44.9	41.6
Markdowns, % to sales	10.1	11.5
Sales promotion, % to sales	4.2	4.0
Number of stock turns (times)	2.2	1.5
\$ sales per sq. ft. of selling space (main or largest selling unit)	\$103.6	\$ 51.9

* Number in parenthesis represents the number of stores reporting in each category.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1983.

Curtain, Drapery & Upholstery Stores

Between 1979 and 1981, the number of curtain, drapery and upholstery stores with payrolls operating in the U.S. dropped from 4,090 to 3,770. This compares with the total of 3,867 of these store types in operation in 1977, according to the U.S. Bureau of the Census. Sales of these store types in 1977 amounted to \$611.7 million, the last year for which sales figures are available.

There were also a total of 6,194 curtain, drapery and upholstery stores in operation in 1977 without payrolls. These stores accounted for an additional \$105.5 million in sales. In total, the 10,061 curtain, drapery and upholstery stores in operation in 1977 had a combined total of \$717.2 million in sales.

Drapery & Upholstery Stores by Employee Size, 1981

	Establishments		Employees		Annual Payroll	
	Number	% of Total	Number	% of Total	Mil. \$	% of Total
Upholstery & drapery stores, total	3,770	100.0%	19,511	100.0%	\$170.0	100.0%
By employee size:						
Under 10 employees	3,332	88.4	11,678	59.9	99.2	58.3
10 - 19 employees	350	9.3	4,746	24.3	41.2	24.2
20 - 49 employees	81	2.1	2,409	12.3	21.4	12.6
50 or more employees	7	0.2	678	3.5	8.2	4.9

Source: U.S. Bureau of the Census,
County Business Patterns, 1981

RETAIL SALES BY TYPE OF OUTLET

Leading Stores

According to a market analysis by HFD - THE WEEKLY HOME FURNISHINGS NEWSPAPER (2/6/84), Sears was the leading retailer of home textiles in 1983 with sales of \$1.5 billion in this single area. K mart rated second with sales of \$1.2 billion, while J.C. Penney ranked third with \$816 million in home textiles sales.

Three D Department Stores had the highest percentage of its sales attributed to the home textiles category, with 96% of its sales coming from the group.

The Top 25 Home Textile Retailers, 1983

<u>Rank</u>	<u>Store</u>	<u>Home Textiles Sales (Mil. \$)</u>	<u>% of Home Textiles to Total Store Sales</u>
1	Sears	\$1,474	6.7%
2	K mart	1,235	6.5
3	J.C. Penney	816	6.8
4	Dayton Hudson	479	7.8
5	Montgomery Ward	420	7.0
6	Federated	401	6.1
7	Wal-Mart	270	6.0
8	R.H. Macy	266	7.1
9	May Dept. Store	227	6.1
10	Associated Dry Goods	205	5.8
11	Allied Stores	205	6.8
12	Melville Corp.	170	15.0
13	BATUS	155	5.5
14	Spiegel	145	29.0
15	Carter Hawley Hale	135	6.5
16	Zayre	129	6.5
17	T.G. & Y	127	5.5
18	Fingerhut	125	23.0
19	Belk Stores	120	7.5
20	Mercantile	95	6.0
21	Fred Meyer	70	5.0
22	Dillards	60	7.0
23	Three D Depts.	49	96.0
24	Bradlees	48	5.0
25	Ames Dept. Store	43	9.0

Source: HFD-The Weekly Home Furnishings Newspaper,
February 6, 1984.

CONSUMER PRICE TRENDS

Consumer prices for textile home furnishings averaged 4.0% higher in 1983 compared with 1982--somewhat higher than the 3.2% gain registered for all consumer items (3.2%), according to the Bureau of Labor Statistics.

CONSUMER PRICE TRENDS

Between May 1983 and 1984, retail prices for textile home furnishings registered a slower increase than the all-item category, 3.4% vs. 4.2%.

Consumer Price Indexes for Specified Home Textiles, 1982, 1983 & May 1983, 1984 (All Urban Consumers) (December 1977 = 100, unless otherwise noted)

	May Average		% Change 1984/83	Annual Average		% Change 1983/82
	1984	1983		1983	1982	
All items (1967 = 100)	309.7	297.1	+ 4.2%	284.4	278.2	+ 2.2%
Textile home furnishings (1967 = 100)	236.4	228.7	+ 3.4	228.2	219.4	+ 4.0
Household linens	139.8	136.2	+ 2.6	135.5	133.5	+ 1.5
Curtains, drapes, slipcovers & sewing materials	154.6	149.4	+ 3.5	149.4	140.2	+ 6.6

Source: Bureau of Labor Statistics

CONSUMER BUYING HABITS

The following information on home textiles purchases has been supplied by NPD Special Industry Services, one of the NPD Group of Marketing & Research Companies, Port Washington, N.Y. Reports are based on findings from an on-going monthly panel diary tracking the purchases of 6,500 nationally representative families.

In 1983, home textiles purchases by panel members increased by 1.7% on a unit basis while rising 3.8% on a dollar value basis. The average price increase in 1983 vs. 1982 was 2.1%. Comforters were far and away the leader in increased sales in 1983 marking gains of 18.6% in units and 19.3% in dollars in 1983 vs 1982.

Percent Change in Unit & Dollar Purchases of Specified Home Textiles As Reported by NPD

	% Change: 1983/1982		
	Units	Dollars	Average Price Increase
Total, all categories	+ 1.7%	+ 3.8%	+ 2.1%
Sheets & pillowcases	+ 4.5	+ 4.3	- 0.2
All bathroom towels	--	+ 1.7	+ 1.2
Bath towels	--	+ 1.7	+ 1.7
Blankets	+ 0.4	+ 18.3	+ 17.9
Bedspreads	- 12.0	- 3.9	+ 9.2
Comforters	+ 18.6	+ 19.3	+ 10.6
Pillows	- 1.3	- 5.4	- 4.1

Source: Home Fashions Textiles
(Fairchild Publications) June 1984

CONSUMER BUYING HABITS

Between September 1982 and July 1983, Simmons Market Research Bureau conducted a study to measure consumers' purchases of specified products, including home textiles. The survey included the percentage of households purchasing specified items, the price paid and the region of the country the purchasing households are located. The results of the study were published in Home Fashions Textiles, July 1984.

The survey indicated that consumer purchases had declined slightly from the previous survey conducted in 1982.

Percentage of Households Purchasing Selected Items, 1983, 1982

	<u>1983</u>	<u>1982</u>
Electric blankets	3.3%	na
Other blankets	4.5	5.7%
Comforters & quilts	6.1	6.5
Sheets & pillowcases	16.1	17.3
Tablecloths & napkins	9.0	8.6
Custom-made curtains & draperies	1.5	2.7
Ready-made curtains & draperies	5.8	7.6
Towels	15.0	15.8

Home Textiles Purchases By Region, 1983

	<u>Electric Blankets</u>	<u>Other Blankets</u>	<u>Comforters & Quilts</u>	<u>Sheets & Pillowcases</u>	<u>Tablecloths & Napkins</u>	<u>Towels</u>
Northeast	17.5%	21.2%	22.2%	22.5%	23.7%	21.3%
North Central	26.5	28.5	26.4	24.3	25.8	25.5
South	35.5	31.5	28.5	32.8	31.6	34.0
West	20.5	18.9	22.9	20.4	18.8	19.2

	<u>Custom-made Curtains & Draperies</u>	<u>Ready-made Curtains & Draperies</u>
Northeast	25.7%	25.6%
North Central	27.0	26.1
South	28.8	33.1
West	18.5	15.3

Price Paid for Specified Home Textiles, 1983 (Percent of household purchasing)

	<u>Electric Blankets</u>	<u>Other Blankets</u>	<u>Sheets & Pillowcases</u>	<u>Tablecloths & napkins</u>	<u>Towels</u>
Less than \$25	80.1%	53.7%	44.8%	66.2%	55.4%
\$25 or more	19.9	46.3	55.2	33.8	44.6

(continued)

CONSUMER BUYING HABITS

Price Paid for Specified Home Textiles, 1983 (Percent of household purchasing) (continued)

	<u>Comforters & Quilts</u>		<u>Custom-made Curtains & Draperies</u>	<u>Ready-made Curtains & Draperies</u>
Less than \$50	53.0%	Less than \$150	27.0%	22.8%
\$50 or more	47.0	\$150 or more	73.0	77.2

Source: Simmons Market Research Bureau,
Home Fashions Textiles, July 1984

Another survey conducted by a national polling organization among 2,000 female heads of households indicated that the number of consumers who bought any type of home furnishings in 1983 was down 13 percentage points from the results of a survey conducted in 1981 (Home Fashions Textiles, April, 1984).

More than 51% of those surveyed indicated, however, they were only delaying purchases because of the economy.

Window Treatments

<u>Place of Purchase of Window Treatments</u>	<u>Percent</u>	<u>Types of Window Treatments Purchased</u>	<u>Percent</u>
Department stores	19%	Ready-made draperies	40%
Discounters	19	Curtains	32
Sears	18	Window shades	28
J.C. Penney	17	Sheers	22
Drapery Stores	12	Custom-made draperies	18
K mart	11	Horizontal blinds	11
Montgomery Ward	8	Woven wood shades	5
		Custom draperies	5
		Wood shutters	4
		Vertical blinds	3
		Pleated shades	1

Note: Totals add to more than 100% due to multiple answers. Type of treatment is based on all home owners who purchased window treatments for any room.

(continued)

CONSUMER BUYING HABITS

Comforters

Place of Purchase of Comforters, 1983

	<u>Percent</u>
Department stores	43%
Sears	14
J.C. Penney	13
Discounters	12
Bed & bath shop	9
K mart	7
Montgomery Ward	5

Bedspreads

Place of Purchase of Bedspreads, 1983

	<u>Percent</u>
Department stores	28%
Sears	15
Discounters	14
J.C. Penney	14
Montgomery Ward	9
K mart	8
Bed & bath shop	8
Mail order	7

Sheets

Place of Purchase of Sheets, 1983

	<u>Percent</u>
Department stores	38%
Discounters	22
J.C. Penney	20
Sears	15
K mart	12
Montgomery Ward	7
Bed & bath shop	6

Note: Totals add to more than 100% due to multiple answers.

Source: Home Fashions Textiles,
April 1984

CONSUMER BUYING HABITS

Seventeen Magazine's Back-To-School Survey, conducted in September 1982, projected purchases of home textiles by 1,505 respondents who attend high school or college to the universe of 8.7 million teenage female students. According to the study, expenditures for bedspreads reached a total of \$48.2 million.

Projected Purchases of Home Textiles by Teenage Female Students

	<u>Number Purchasing (Thous.)</u>	<u>Number Purchased (Thous.)</u>	<u>Total Expenditures (Thous.)</u>
Towels	718	3,815	\$ 37,311
Sheets/Pillowcases	876	2,023	33,984
Bedspreads	668	954	48,232

Source: Seventeen Magazine
Back-To-School Study, 1983

FAIRCHILD FACT FILES AVAILABLE FOR 1984

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1983 Edition available now -- 1984 Edition will be available in February, 1985)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying head-quarter location. Also lists branch store sales, where available. Sale information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1983 Edition available now -- 1984 Edition will be available in January, 1985)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data. (November)

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits. (\$15.00)

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits.

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits. (Special Fact File for 1983, \$15.00)

RETAILING/MERCHANDISING TRENDS: Covers trends in sales of specific retail outlet types, competitive developments in retailing (such as off-price retailing, franchising, designer names, private labels). Trends in number of outlets by size; regional developments in retailing. (December)

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Market Research Division
Fairchild Publications, New York

**Dresses
(Women's, Misses'
and Juniors')**

FAIRCHILD FACT FILE

Prepared by

Market Research Division

Audrey S. Balchen, Director

Distributed through

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New York

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WOMEN'S, MISSES' & JUNIORS' DRESSES

Market Trends

Overall statistics for the dress industry in the U.S. for 1983 showed a continuance in the downward trend in U.S. production and in the rise in imports. At the retail level, however, business has been strong in some classifications, particularly in better lines, and trade reports indicate optimism for a good 1984.

According to an analysis of trade trends in Stores (April 1984) which is published by the National Retail Merchants Association, planned increases among key stores for dress departments ranged from 20-50% for the year in many cases. Strength in dress business in the last couple of years has been mainly in career-oriented, conservative styles for working women. However, as the economy has improved and as women have gained more confidence, greater interest is being shown in dressy, after-five clothes. This market is also benefitting from the increasing number of women in management positions who require a larger wardrobe of dresses for a variety of occasions.

The working woman is the backbone of the dress market and the industry is being stimulated not only by their interest in dressier clothes but also by a swing to dresses away from tailored suits for a softer look and for variety. Also away from separates due to the greater ease in dressing offered by dresses as well as offering a less costly way of getting a total look.

Confirmation of the view that dresses will continue to come back from their low points of the 1970's is noted in the fact that some sportswear manufacturers are now also making dresses. Their younger sportswear customers are now being exposed to dresses. Designers and dress manufacturers have stepped up efforts to capture this important younger market, bringing out new fabrications and looks to fit their lifestyles. New shorter lengths are the fashion message for spring 1985, which should bring the need for wardrobe refurbishing for dresses and skirts.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census. Preliminary findings on the dress industry, 1982 census, should be released by the Bureau before the end of 1984.

During intercensal periods, the Bureau conducts annual surveys covering a sample of manufacturers to develop estimates on key measurements of manufacturing activity.

Based on this information, the U.S. Bureau of Industrial Economics (in U.S. Industrial Outlook 1984) has issued estimates on dress industry shipments for 1982 and 1983 (which are subject to revision when later Census Bureau data comes out). In terms of current dollars, shipments for 1982 were valued at \$4,930.4 million--7.9% above the 1981 total. For 1983, the value was estimated at \$5,030--a gain of 2.0% over 1982.

GENERAL INDUSTRY STATISTICS

On a constant (1972) dollar basis, eliminating the effects of inflation, shipments in 1982 registered a real gain estimated at 5.7% over 1981, but were 8.7% below the 1972 comparable total. The estimated value of shipments in 1983 on a constant dollar basis was 6.1% below the 1982 level.

Industry shipments from 1972-1983 registered an annual compound rate of growth of 3.1% (current dollars); when measured on a constant dollar basis, however, shipments declined at an annual rate of 1.4% in this period.

Women's, Misses' & Juniors' Dress Industry (SIC 2335*)

	<u>1981(r)</u>	<u>1980</u>	<u>1977</u>
Number of companies	na	na	6,753
Number of establishments, total**	3,648#	4,038#	6,953
Employees, total (thous.)	166.0	176.3	175.3
Production workers (thous.)	144.7	152.0	153.0
Payroll (mil. \$)	\$1,377.2	\$1,359.8	\$1,197.1
Value added by manufacture (mil. \$)***	\$2,519.0	\$2,472.5	\$2,233.7
Value of industry shipments (mil. \$)##	\$4,569.6	\$4,405.6	\$4,188.6
Capital expenditures, new (mil. \$)	\$ 110.0	\$ 50.5	45.2

(r) revised

*SIC (Standard Industrial Classification) 2335 covers establishments primarily engaged in manufacturing women's, misses', and juniors' dresses of all types, including ensemble dresses and pants dresses, whether sold by the unit or by the dozen (daytime house dresses).

**Each business location is counted as a separate establishment. For 1977, the 6,953 establishments in the dress industry included 4,347 manufacturers (regular or inside factory), 462 jobbers (who arrange with contractors to manufacture for them, the jobber supplying the material), 2,144 contractors (outside factories which process materials owned by others, and do not sell the finished garment).

***Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

#Covers establishments with paid employees only, as reported in County Business Patterns.

##Value of industry shipments of the dress industry includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in this industry. Figures on shipments of dresses by all producers, including those classified in other industries, are shown on page 8.

Source: U.S. Bureau of the Census, 1977 Census of Manufactures, Annual Survey of Manufactures, 1980, 1981.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Customer interest in dresses has picked up somewhat in recent months, and this is reflected in employment figures. In each of the first six months of 1984 employment was above the comparable month a year ago. However, the industry has a long way to go to catch up with the rate of activity some years ago. In 1983, employment averaged 124,700, 24% below the average of 163,500 reported for 1977. (It will be noted that employment figures compiled by the Bureau of Labor Statistics and those issued by the Census Bureau differ due to a different methodology involving averages for selected months used by the Census Bureau rather than a twelve-month average.)

Employment & Earnings in the Dress Industry

	January - June			Annual Average			% Change 1983/1982
	1984(p)	1983	% Change	1983	1982	1977	
Women's & misses' dresses (SIC 2335)							
All employees (thous.)	129.8	124.9	+ 3.9%	124.7	127.9	163.5	- 2.5%
Production workers (thous.)	109.7	107.5	+ 2.0	106.9	111.0	144.2	- 3.7
Avg. weekly earnings	\$187.38	\$177.97	+ 5.3	\$108.73	\$169.37	\$122.34	- 35.8
Avg. hourly earnings	5.63	5.43	+ 3.7	5.51	5.26	3.73	+ 4.7
Avg. weekly hours	33.3	32.8	+ 1.5	32.8	32.2	32.8	+ 1.9

(p) preliminary

Source: U.S. Bureau of Labor Statistics,
Employment and Earnings.

In 1981, there was a total of 3,648 establishments with payrolls which were primarily manufacturing dresses in the U.S. compared with 4,038 reported for 1980, according to the Census Bureau's County Business Patterns report. Eighty percent of these establishments employed fewer than 50 people while only 6.9% were relatively large plants with 100 persons or more.

The Women's Dress Industry by Employment Size, 1981

	Establishments	
	Number	% of Total
Women's & misses' dresses (SIC 2335)	3,648	100.0%
By establishment size:		
Under 10 employees	927	25.4
10-19 employees	753	20.7
20-49 employees	1,238	33.9
50-99 employees	478	13.1
100 or more employees	252	6.9

Source: U.S. Bureau of the Census,
County Business Patterns, 1981

GENERAL INDUSTRY STATISTICS

Employment & Earnings

In industry projections for the year 1983, published by Sales & Marketing Management Magazine (1984 Survey of U.S. Industrial & Commercial Buying Power, April 24, 1984 issue) the number of plants with 20 or more employees was estimated at 1,169 and shipments for the year by these plants were reported at \$4.2 million, of which 59% was accounted for by large plants, having 100 or more employees.

Regional Location

According to the U.S. Bureau of Industrial Economics, major producing states accounting for the largest percent of dress industry shipments included the following: New York (42%), California (17%), Pennsylvania (8%), Texas (4%), New Jersey (4%).

Detailed information by state, etc., will be available when 1982 Census of Manufactures reports are completed. Sales & Marketing Management magazine has developed information on plants with 20 or more employees in leading counties, as noted below:

Leading Counties in the Manufacture of Dresses, 1983

	No. of Plants		Shipments By Plants With 20+ Employees	% of U.S. Total
	With 20 or More Employees	With 100 or More Employees		
New York				
New York City (Manhattan)	165	19	\$ 345.8	8.3%
California				
Los Angeles	55	6	150.2	3.6
Pennsylvania				
Lehigh	9	4	43.6	1.0
Montgomery	7	4	40.3	1.0
Philadelphia	21	7	98.9	2.4
Schuylkill	20	7	106.7	2.6
Florida				
Dade	42	4	90.7	2.2
Illinois				
Cook	17	4	68.5	1.6
Kane	1	1	52.5	1.3
Massachusetts				
Bristol	26	15	179.8	4.3
New Jersey				
Bergen	16	3	52.6	1.3
Texas				
Dallas	33	18	238.4	5.7
U.S. total	1,169	296	4,168.4	100.0

Source: Sales & Marketing Management Magazine (April 24, 1984)
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PRODUCTION

In the first six months of 1984, according to the U.S. Bureau of the Census, production of dresses for women, misses and juniors was down 8.3% compared with cuttings in the same 1983 period. Output in the entire year 1983 compared with 1982, according to the Bureau, registered a 2.7% decline.

The Research Department of the International Ladies' Garment Workers' Union, New York, has compiled information on dress production based on Census Bureau data which has been adjusted to include output of very small firms which are not included in the government data.

The ILGWU data shows the steady decline in U.S. production of dresses, and for the first time in over 25 years the total fell below 200 million units in 1983. At an estimated adjusted total of 197.5 million units, dress production last year was 28.3 percent below the 1973 total.

The Trend in U.S. Production of Women's, Misses' & Juniors' Dresses

<u>Year</u>	<u>Millions of Units</u>	<u>Index (1973 = 100)</u>
1973	275.5	100.0
1979	247.2	89.7
1980	252.8	97.8
1981	218.4	79.3
1982	203.1	73.7
1983	197.5	71.7

Source: ILGWU Research Department

Collection of monthly apparel industry information in the Current Industrial Reports series was reinstated in 1983 by the Census Bureau, after having been eliminated in 1982. Annual CIR's on apparel have been continued. These are based on mail surveys among manufacturers, contractors and jobbers, including all known companies except very small firms.

Dress production in 1983 compared with 1982, based on Census Bureau coverage of the industry, is summarized in the following tables. Included are dresses cut in the U.S., sewn abroad, and shipped back as finished garments under the provisions of item 807.00 of the Tariff Schedule.

PRODUCTION

U.S. Production of Dresses & Washable Service Apparel by Fabric Construction
& by Factory (Wholesale) Prices of Dresses, 1982, 1983
 (Thousands of Units)

	<u>1983</u>	<u>1982</u>
Women's, misses' & juniors' dresses*	167,046	171,748
By price (per unit):		
Under \$6.00	5,202	8,898
\$6.00 - 9.99	20,060	22,818
\$10.00 - 15.99	51,430	48,283
\$16.00 & over	58,020	55,320
Price line, n.s.k.	32,334	36,429
By fabric:		
Woven fabric:		
All or chiefly cotton	18,006	17,042
All or chiefly man-made	81,341	79,442
All or chiefly wool	1,499	2,165
All other fabric	5,509	4,831
Knit fabric:		
All or chiefly cotton	1,804	2,562
All or chiefly man-made	29,525	34,509
All or chiefly wool	651	804
All other fabrics	445	136
Fabric, n.s.k.	28,266	30,257
Washable service apparel, including uniforms, medical & lab jackets, etc.	39,336	40,860
By construction:		
Woven fabric	21,828	20,136
Knit fabric	7,464	9,624
Construction, n.s.k.	10,044	11,100
By fabric:		
All or chiefly cotton	3,684	3,840
All or chiefly man-made	25,164	26,184
All other fabrics, including fabric, n.s.k.	10,488	10,836

n.s.k. not specified by kind.

* Includes suit-type dresses, formal, work, house, bridal, etc.

Source: U.S. Bureau of the Census,
 Current Industrial Reports,
Women's and Children's Outerwear, 1983.
 (MA23F(83)-1)

PRODUCTION

Seasonality in Production

Dress cuttings in U.S. plants are typically at a peak in March/April, declining to a low point in December.

Percent of Year's Cuttings of Dresses by Months, 1980, 1981, 1983

	<u>1983</u>	<u>1981</u>	<u>1980</u>
Total dress cuttings	100.0%	100.0%	100.0%
By month			
January	8.4	8.3	9.5
February	9.4	9.6	10.4
March	11.4	11.1	10.8
April	10.1	10.0	10.3
May	9.3	8.8	8.8
June	8.5	8.9	9.2
July	6.8	7.5	7.7
August	7.6	8.4	7.8
September	7.6	8.2	7.1
October	7.5	7.3	7.1
November	7.2	6.0	5.8
December	6.1	5.9	5.5

Source: U.S. Bureau of the Census,
Current Industrial Reports.

SHIPMENTS

The annual surveys of manufactures (ASM) compiled by the Census Bureau are based on a sample of manufacturers, jobbers and contractors of women's wear and thus provides broader-based information on the value of dress shipments than the Current Industrial Reports series. Differences in the two series also occur due to variations in product classifications and reporting procedures.

There are several different sources of information on the value of shipments in the dress industry, all emanating from the U.S. Department of Commerce or from the ILGWU--and none of them in agreement, as methods of compilation differ.

The most definitive information on this, and other aspects of the dress industry, will be made available by the Census Bureau in final reports on the complete 1982 census of manufactures scheduled for release in 1984-1985. Preliminary results from this source show the value of dress shipments at \$2,995.5 million in 1982; women's washable service apparel, at \$2,296.9 million.

A trend in both current dollars and constant dollars for dress shipments is available from the Bureau of Industrial Economics as noted in the following table:

SHIPMENTS

Value of Dress Shipments by All Producers, 1972-1983
(Millions of Dollars)

	<u>1972</u>	<u>1977</u>	<u>1979</u>	<u>1981</u>	<u>1982(e)</u>	<u>1983(e)</u>	<u>Compound Annual Rate of Growth 1972-83</u>
Current \$	\$2,806.5	\$3,228.2	\$3,030.1	\$3,394.0	\$3,613.9	\$3,673.5	+ 2.5%
Constant \$ (1972)	2,806.5	2,787.7	2,457.5	2,415.7	2,529.0	2,365.1	- 1.5

(e) estimated

Source: U.S. Department of Commerce, Bureau of Industrial Economics,
1984 Industrial Outlook

The complete census of manufactures is compiled every five years by the Census Bureau. In interim years an annual survey of manufactures (ASM) is taken among a sample of manufacturing establishments to provide trend information. In another effort, the Census Bureau compiles monthly and annual data on production and shipments of apparel in the Current Industrial Reports series. Data from both of these sources is subject to revision when final figures from the 1972 census are available.

Information from the most recent ASM and CIR reports follows.

Value of Shipments of Dresses & Washable Service Apparel, 1979-1981
(Including Contract Work)
(Millions of Dollars)

	<u>1981</u>	<u>1980</u>	<u>1979</u>
Women's, misses' & juniors'			
dresses, total	\$4,357.5	\$4,277.9	\$3,926.9
Unit price dresses	2,434.7	2,464.1	2,363.2
Dozen price dresses	413.8	357.3	334.3
Contract work on dresses	963.3	970.2	896.7
Dresses not specified by kind	545.7	486.3	332.5
Washable service apparel	215.4	205.8	216.8

Source: U.S. Bureau of the Census,
Annual Survey of Manufactures (M81 (AS)-2).

The CIR reports are based on a survey of manufacturers, government contractors and jobbers, except small firms. Data since 1981 has been revised and may not be comparable with 1981 and earlier years.

SHIPMENTS

Value of Shipments of Dresses & Washable Service Apparel, 1982, 1983 (Millions of Dollars)

	<u>1983</u>	<u>1982</u>
Women's, misses' & juniors' dresses, total	\$3,375.9	\$3,186.2
Washable service apparel, incl. uniforms, medical & lab jackets, smocks, etc.	269.2	254.0

Source: U.S. Bureau of the Census,
Current Industrial Reports (MA23F(83)-1)

The Research Department of the ILGWU adjusts CIR data for underreporting and arrives at an estimated value of shipments of dresses of \$3,963 million in 1983, \$3,740 million in 1982.

PRODUCER PRICE TRENDS

As of June 1984 the producer (factory) price level for women's unit-priced dresses averaged less than one percent (+0.3%) above the price level in the same month a year earlier. Compared with the average for the year 1982, prices were up an average 1.8% in June 1984.

Producer Price Index on Women's Dresses, 1981, 1982 Annual Averages, June 1983, 1984 (1967=100, unless otherwise indicated)

	<u>June</u>		<u>%</u>	<u>Annual Averages</u>	
	<u>1984</u>	<u>1983</u>	<u>Increase</u>	<u>1982</u>	<u>1981</u>
All commodities	313.4	302.4	+ 3.6%	299.3	293.4
Women's apparel	178.3	177.5	+ 0.4	173.1	164.4
Dresses (unit-priced) (Dec. 177=100)	126.5	126.1	+ 0.3	124.3	121.3

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

The U.S. Bureau of Industrial Economics has estimated the value of imports of women's and misses' dresses in 1983 at \$281.9 million, gaining 70.8% in current dollar terms compared with the 1982 total. The valuation is defined as the "customs value", or the price actually paid for merchandise when sold for exportation to the U.S. Charges incurred in bringing the goods to the U.S., as well as duties, are not included.

The value of U.S. exports of women's and misses' dresses, on the other hand, declined 39%. The drop reflected the strong U.S. dollar which made U.S.-made dresses more expensive overseas, as well as the lagging economies in many foreign countries. The export value was the lowest reported since 1977. However, the Bureau finds that in the 1972-1983 period the value of dress exports grew at a compound annual rate of 8.0%.

FOREIGN TRADE

Estimated U.S. Trade in Women's & Misses' Dresses, 1979 & 1981-1983 (Millions of Dollars)

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1979</u>
Value of exports	\$ 33.5	\$ 55.0	\$ 62.8	\$ 39.0
Value of imports	281.9	165.0	198.7	102.1
Export/shipments ratio*	0.009	0.015	0.019	0.013
Import/new supply ratio**	0.072	0.044	0.056	0.033

* Not adjusted for inclusion of shipping costs in the export value.

** New supply ratio is the sum of product shipments plus imports. (This reads: imports accounted for 7.2% of new supply).

Source: U.S. Bureau of Industrial Economics,
1984 U.S. Industrial Outlook

The U.S. Census Bureau has compiled an overall summary of the impact of foreign trade on the entire dress industry (including women's, girls' and infants'). According to this analysis, imports in 1983 represented 14% of the quantity of apparent consumption (total domestic supply including production, less exports plus imports). This was down from 18.4% in 1982. In terms of value of dresses, imports accounted for 8.9% of apparent consumption in 1983, down from 11.6% in the previous year.

Exports by U.S. producers were down somewhat in terms of share of total shipments. Quantity of exports dropped from 8.2% of total shipments in 1982 to 6.9% in 1983. In share of value of shipments (not including charges involved in moving shipments to the port of export), the 1983 figure of 1.1% compared with 1.8% in 1982. (U.S. Bureau of the Census, Current Industrial Reports).

Imports

Based on customs receipts, the Bureau of the Census compiles regular reports on imports. Information on dresses covers all types, including dresses for women, children and infants, which are not separately reported. The quantity of dresses of woven fabrics imported by the U.S. in 1983 was 46% above the 1982 total; value rose about 64%. The quantity of knit dress imports is not reported; however, value rose over 34%.

FOREIGN TRADE

ImportsU.S. Imports of Women's, Girls' & Infants' Dresses, 1982, 1983

	Quantity (Thous. Dozens)		Value C.I.F. (Thous. \$)		% Change in Value 1983/1982
	1983	1982	1983	1982	
TOTAL, reported categories	na	na	\$6,248,010	\$5,078,857	+ 23.0%
DRESSES	na	na	310,519	192,265	+ 61.5
Not knit	2,525.1	1,729.6	263,404	160,803	+ 63.8
Cotton	864.3	677.4	71,319	49,363	+ 44.5
Wool	26.5	9.7	10,290	4,607	+123.4
Man-made	1,440.8	914.9	116,706	58,398	+ 99.9
Silk	193.5	127.6	65,089	48,435	+ 34.4
Knit	na	na	47,115	31,462	+ 49.8
Wool	na	na	13,722	5,893	+132.9
Man-made	335.5	241.3	20,485	16,386	+ 25.0
Cotton	161.9	105.3	12,908	8,183	+ 40.6

na not available. (reported in terms of pounds only).

* The CIF value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports,
FT 135, December 1983. 1982.

According to the Research Department of the ILGWU imports of women's and children's dresses totaled 30,993 thousand units in the first seven months of 1984, gaining almost 29% over the total of 24,088 thousand in the same 1983 period.

The ILGWU reported total imports of dresses at 37,286 thousand in 1983, which was more than double the total of 18,178 thousand units imported five years earlier (1979). Imports in the dress industry, as well as other categories of women's and children's wear, constituted a major problem to the domestic industry, particularly as they have continued to soar in 1984 despite government actions to stem the tide. The effort, covering a revision of the rules of origin, is expected to have a greater effect on knit imports than items of woven fabrics which may be cut in one country and sewn in another.

Mainland China, the Philippines, India, Pakistan and Hong Kong are large suppliers of dresses (other than knit) to the U.S. market.

FOREIGN TRADE

ImportsImports For Consumption in the U.S. by Leading Country of Origin, 1983

	<u>Thous. Dozen</u>	<u>CIF Value*</u>
Women's & children's dresses (selected types)		
Not knit:		
Cotton, total**	860.0	\$ 64,692
India	282.9	18,778
China (Mainland)	108.8	5,392
Pakistan	80.3	3,112
Man-made fibers, total**	1,454.1	107,534
Philippines	375.3	9,363
China (Mainland)	348.7	15,304
Hong Kong	189.2	26,346

* See footnote on previous table.

** Includes countries not separately listed.

Source: U.S. Bureau of the Census, U.S. General Imports
& Imports For Consumption (FT135, Dec. 1983)ExportsQuantity & Value of Women's Dresses Exported by the U.S., 1983
Total by Type & Leading Country of Destination

	<u>Dozen</u>	<u>Value*</u>
Women's cotton dresses		
Knit, total	49,094	\$2,910,905
Neth. Antilles	11,669	542,277
Panama	4,371	542,896
Colombia	6,314	383,030
Woven, total	124,002	5,444,366
Haiti	39,383	734,988
Colombia	18,196	1,439,030
Neth. Antilles	15,387	800,907
Women's man-made fiber dresses		
Knit, total	115,402	4,487,084
Neth. Antilles	14,985	1,147,590
Canada	40,474	1,128,073
Mexico	36,637	1,031,722
Woven, total	714,971	7,767,276
Mexico	626,762	5,508,327
Haiti	33,757	828,383
Kuwait	20,826	636,960

(continued)

FOREIGN TRADE

Exports

Quantity & Value of Women's Dresses Exported by the U.S., 1983 Total by Type & Leading Country of Destination (continued)

	<u>Dozen</u>	<u>Value*</u>
Women's & children's dresses, wool		
Knit	5,373	\$ 736,678
Neth. Antilles	1,306	170,433
Canada	604	73,816
Venezuela	442	72,096
Woven	6,490	468,849
Canada	1,423	143,655
Saudi Arabia	3,497	160,031

* Value alongside the carrier at U.S. port of exportation. It does not include the cost of loading the merchandise aboard the carrier, freight, insurance and other charges beyond the port of exportation.

Source: U.S. Bureau of the Census,
U.S. Exports, Schedule E (FT 446/Annual 1983)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Within the next 10 years the size of the female population over 15 years of age will increase by over 9%, reaching close to 104 million compared to the present count of 94.3 million. By the year 2005 the number will be almost 20% above the 1984 total.

However, there are significant variations in the growth rate by age components. Reflecting the decline in the birth total in recent years, the number of younger women, age 16 to 19, will actually decline by 1994, dipping 13%, but will pick up again by the year 2005. The number of women aged 20 to 24 years will decrease 19%, dropping from 10.7 million to 8.7 million. The number age 25 to 29 will decline 12%, from 10.7 million in 1984 to 9.4 million by 1994.

Growth will be noted among age groups continuing to expand as a result of the baby boom years. Women age 30 to 34, 35 to 39 and 40 to 44 will show gains in number of 12.1%, 26.4% and 23.4%, respectively, by 1994. These are women characterized by a high percentage of career women, with peak earnings, who represent the best customers for dress departments.

THE POTENTIAL MARKET

Female Population of the U.S., 1984 & Projections to 2005* (In Millions)

	Number (Thousands)			% Change 2005/1984	Percent Distribution		
	1984	1994	2005		1984	1994	2005
Total, all ages	121,343	132,251	141,381	+ 16.5%	100.0%	100.0%	100.0%
Under 5 years	8,904	9,188	8,518	- 4.3	7.3	6.9	6.0
5 to 9 years	7,924	9,415	8,678	+ 9.5	6.5	7.1	6.1
10 to 15 years	10,236	10,745	11,167	+ 9.1	8.4	8.1	7.9
16 years & over	94,279	102,903	113,018	+ 19.9	77.7	77.9	80.0
16 - 19	7,357	6,426	7,707	+ 4.8	6.1	4.9	5.5
20 - 34	31,205	29,068	26,706	- 14.4	25.7	22.0	18.9
35 - 54	27,115	36,202	41,249	+ 52.1	22.3	27.4	29.2
55 - 64	11,834	11,002	15,399	+ 30.1	9.8	8.3	10.9
65 & over	16,768	20,205	21,957	+ 30.9	13.8	15.3	15.5
Median age (years)	32.4	35.6	39.2	+ 21.0	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding

Source: U.S. Bureau of the Census,
Current Population Reports
Series P-25, No. 952 (May 1984)

The following table covers estimates of the current adult female population in specified height/weight groups, based on an analysis of information from the U.S. Department of Health and Human Services (formerly called the U.S. Department of Health, Education & Welfare) and the U.S. Census Bureau.

Based on current projections, some 15.5 million women in the U.S. population are likely candidates for petite sizes; close to nine million probably look for tall sizes. While other measurements do enter into the size definition, available data is limited to height and weight relationships. There are an estimated 51.5 million women in the U.S. who are five feet three inches or shorter, but most weigh over 120 pounds. Only 30% weigh less than 120 lbs.

THE POTENTIAL MARKET

Estimated Number of Women 16 Years of Age & Over By Height & Weight, 1984 (In Thousands)

	Total	% of total	Under 120 lbs.	% of total	120-149 lbs.	% of total	150 lbs. & over	% of total
Total	94,279	100.0%	21,401	22.7%	41,860	44.4%	31,018	32.9%
Height:								
5'3" or less	51,476	54.6	15,462	16.4	21,496	22.8	14,519	15.4
5'4" - 5'6"	34,035	36.1	5,468	5.8	16,027	17.0	12,539	13.3
5'7" or more	8,768	9.3	471	0.5	4,337	4.6	3,960	4.2

Source: Fairchild Market Research Department based on National Health Survey 1971-1974 (U.S. Dept. of Health, Education & Welfare) and U.S. Bureau of the Census projections for 1984 by age.

Working Women

In the next 10 years the number of women of prime working age (25-54) is expected to grow considerably faster than the total labor force. Young workers will decline in absolute numbers as the rate of growth of the total labor force slows markedly. These growth trends reflect the aging of the baby-boom generation and a subsequent sharp decline in birth rates.

The U.S. Bureau of Labor Statistics has recently (November 1983) published revised projections of the labor force for the 1982-95 period. For the middle scenario, which assumes that labor force participation of women will accelerate then taper off, the female civilian labor force is expected to reach 57.2 million by 1990, 8.7 million (or 18%) above the 1983 average.

Participation rates in the labor force among women are expected to continue to grow (except among women over 54), but at a slower rate than prevailed in the 1970's and early 1980's. Over the 1982-95 period, there will be a pronounced shift in the age structure of the labor force. The median age of women in the labor force was 38.3 years in 1970. This dropped to 34.2 years by 1982, but is rising now and expected to reach 36.8 years by 1995 based on the BLS middle series projections.

The Female Civilian Labor Force by Age, 1982-1995

	<u>Labor Force (in thousands)</u>			<u>Participation Rate</u>		
	1982	1990	1995	1982	1990	1995
Women 16 years & older	47,755	57,250	61,417	52.6	58.3	60.3
16 to 24	11,533	10,813	10,557	62.0	69.1	71.6
16 to 19	4,056	3,778	3,761	51.4	56.8	58.2
20 to 24	7,477	7,035	6,796	69.8	78.1	82.0

(continued)

THE POTENTIAL MARKET

Working Women

The Female Civilian Labor Force by Age, 1982-1995 (continued)

	<u>Labor Force (in thousands)</u>			<u>Participation Rate</u>		
	<u>1982</u>	<u>1990</u>	<u>1995</u>	<u>1982</u>	<u>1990</u>	<u>1995</u>
25 to 54	30,149	40,496	44,852	66.3	75.6	78.7
25 to 34	13,393	16,804	16,300	68.0	78.1	81.7
35 to 44	9,651	14,974	17,427	68.0	78.6	82.8
45 to 54	7,105	8,718	11,125	61.6	67.1	69.5
55 & over	6,073	5,941	6,008	22.7	20.5	19.5
55 to 64	4,888	4,612	4,671	41.8	41.5	42.5
65 & over	1,185	1,329	1,337	7.9	7.4	7.0

The dress market should benefit from the expected growth in the number of working women age 35 to 44 years, and 25 to 34 years. By 1990 the former group will register an expected increase of 55% compared with 1982 and a gain of 16% over the 1990 level by 1995. The labor force 25 to 34 years of age is expected to grow 25.5% by 1990 compared with 1982, but will then start to taper off, falling about 3% below the 1990 level by 1995.

Source: U.S. Bureau of Labor Statistics,
Monthly Labor Review
(November 1983)

The proportion of executives, administrators and managers who were women rose from 19% to 31% between 1970 and 1980, according to an analysis of census of population data (compiled by the U.S. Census Bureau). One out of every five working women 25 to 64 years of age is a college graduate today compared with one of eight a decade ago. In March 1983, 77% of all women college graduates were in the labor force, compared with 63% of those who had completed not more than four years of high school and 44% of school drop-outs.

An analysis of the 1980 census of population showed that the 10 occupations with the largest number of women were as follows:

	<u>Number of Women</u>
Secretaries	3,949,973
Teachers (elementary school)	1,749,547
Bookkeepers	1,700,843
Cashiers	1,565,502
Office clerks	1,425,083
Managers, not elsewhere classified	1,407,898
Waitresses	1,325,928
Salesworkers	1,234,929
Registered nurses	1,232,544
Nursing aids	1,209,757

THE POTENTIAL MARKET

Working Women

Of total women 16 and over employed in 1982 (43.3 million), 66.4% were classified as employed in white-collar occupations. This compares with 60.8% of the 1970 total.

Female Employment by Major Occupational Group, 1972, 1982

	1982		1972	
	Thousands	%	Thousands	%
Total, 16 years & older	43,256	100.0%	31,072	100.0%
White-collar workers	28,744	66.4	18,915	60.9
Professional, technical, etc.	7,650	17.7	4,502	14.5
Managers, administrators	3,219	7.4	1,410	4.5
Sales workers	2,985	6.9	2,226	7.2
Clerical & kindred workers	14,890	34.4	10,777	34.7
Blue-collar workers	5,532	12.8	4,776	15.4
Service workers	8,502	19.7	6,838	22.0
Farm workers	478	1.1	543	1.7

Source: U.S. Bureau of the Census,
Population Profile of the U.S., 1982,
Special Studies Series P-23, No. 130.

Some 32 million women are employed in full-time jobs and spend over \$25 billion for work-related clothing, according to trade estimates. Trade reports indicate a growing preference of women in management/office occupations for dresses, as they grow tired of suits.

Specialized Markets

In the first quarter of 1984, the number of marriages in the U.S. registered a gain of 2.7% over the total in the same 1983 period. This follows a decline of 2.0% in the number of marriages in the year 1983 compared with 1982, which marked the first decline in the annual total since 1975.

While the number of marriages showed a drop in 1983, there appeared to be a growing preference for more elaborate weddings, involving dresses for larger bridal parties. June remained the peak month for weddings, accounting for 11.8% of the total, followed by August, with 11.1%.

Demand for maternity dresses has probably leveled off. In the first three months of 1984 the number of live births in the U.S. gained slightly (0.7%) over the comparable 1983 total. An estimated 3,614,000 women gave birth in 1983, 2% fewer than the 1982 total. According to projections prepared by the Census Bureau, the number of women in the childbearing ages will increase only 1% annually in 1984 and 1985, which means that no dramatic increase in the birth totals can be expected.

THE POTENTIAL MARKET

Specialized Markets

Total Marriages & Births in the U.S., 1982, 1983

	<u>Number (thousands)</u>		<u>% Change 1983/1982</u>	<u>Rate Per 1,000 Population</u>	
	<u>1983</u>	<u>1982</u>		<u>1983</u>	<u>1982</u>
Marriages	2,444	2,495	- 2.0%	10.5	10.8
Live births	3,614	3,704	- 2.4	15.5	16.0

Source: U.S. Department of Health & Human Services,
Monthly Vital Statistics Report.

June continues to be the preferred month for weddings, accounting for 11.8% of the annual total in 1983. August is next in popularity, accounting for 11.1% in 1983. The peak month for births was July (9.1% of the total), followed by August (8.9%).

Monthly Pattern in Marriages & Births, 1983

	<u>Marriages</u>		<u>Births</u>	
	<u>Number (Thous.)</u>	<u>% of Total</u>	<u>Number (Thous.)</u>	<u>% of Total</u>
Total	2,444	100.0%	3,614	100.0%
January	132	5.4	307	8.5
February	143	5.9	273	7.6
March	162	6.6	312	8.6
April	185	7.6	285	7.9
May	231	9.4	299	8.3
June	289	11.8	296	8.2
July	228	9.3	328	9.1
August	272	11.1	320	8.9
September	236	9.7	312	8.6
October	195	8.0	306	8.5
November	188	7.7	287	7.9
December	183	7.5	288	8.0

Source: Based on U.S. Department of Health & Human Services, Monthly Vital Statistics Report, March 1982

RETAIL SALES

Trends

Coming out of the doldrums prevailing in recent years, trade reports indicate a strong revival of consumer interest in dresses. Better dress business lead the way, with a strong performance in 1983, followed by gains in moderate-priced dress departments. Retailers and manufacturers who were previously in sportswear have moved into the dress arena, and the sportswear cycle is reported to have ebbed as moderate-priced dresses surge in popularity.

RETAIL SALES

Trends

Working women are a key factor in this development. Dresses offer not only a change, but are favored in place of separates for greater ease in dressing and obtaining a total look, as well as offering a less costly alternative to separates. Then, too, many career women are tiring of the look of tailored suits for office wear, and, with their growing confidence in themselves, turning to a more feminine look. New fabrics have given new ideas to dress designers, further stimulating sales. Dress business, which traditionally peaks in the spring, has become a year-round business.

The upward trend in dress sales is expected to continue. According to Paul Sullivan, DuPont's senior marketing specialist, a projected 212-215 million dresses will be sold in 1984. This compares with the low point of 175 million units in 1976, but is still far below 1969's peak in sales of 365 million units.

According to Apparel Merchandising (April 1984), a Lebhar-Friedman survey among 30 top department store executives showed over half expected their dress business to increase 20% more in the next two years; 29% expected increases of from 10% to 19%. Half of the respondents planned to increase floor space devoted to dresses. Branded lines dominate the moderate-priced dress departments, accounting for about four out of five dresses sold, according to reporting department stores. Private labels represented about 9% and were expected to take a larger share in the next couple of years. Nearly 40% of the dress business of these stores is promotionally-priced or on sale. Career dresses were cited as the fastest-growing type, accounting for an average 60% of the dress department mix. However, as the needs of working women on their way up the career ladder became more sophisticated, gains in dresses for after-five-o'clock wear are expected.

RETAIL SALES BY TYPE OF OUTLET

Pending release of reports based on the 1982 Census of Retail Trade, the latest official information on women's dress sales is contained in the last previous complete census, covering 1977. Only stores with payrolls were included in the merchandise line reports issued by the Census Bureau, but not all store types which sell dresses were required to break down their sales.

According to the census, retail sales of dresses in the major outlet types reporting sales totaled \$5.4 billion. Women's ready-to-wear stores sold \$2.6 billion worth of dresses in 1977, 47.4% of the total. Department store dress sales amounted to \$2.2 billion, or 40.4%.

RETAIL SALES BY TYPE OF OUTLET

Reported Sales of Women's Dresses by Store Type, 1977 (Including Only Stores With Payrolls)

Dress sales reported (mil. \$)	\$ 5,434.9
Percent	100.0%
Women's ready-to-wear stores	47.4
Department stores**	40.7
Family clothing stores	9.0
Mail order houses	2.3
Other apparel stores***	0.6

* Each business location is reported separately as a store unit, regardless of whether or not the store is part of a multi-unit or chain operation.

**Includes discount department stores as well as traditional department stores. Sales of catalog order desks within the stores are included in the department store data, but not sales of catalog headquarter operations, which are included in mail order houses.

***Includes lingerie shops and other specialized women's apparel outlets, shoe stores, children's wear stores, and stores primarily selling men's wear.

Source: U.S. Bureau of the Census, 1977
Census of Retail Trade, RC77-L.

Specialty Stores

Preliminary reports (subject to revision) have been released on the 1982 Census of Retail Trade by the Census Bureau for women's ready-to-wear stores and for family clothing stores. These show the trend compared with earlier census years.

	Family Clothing Stores			Women's Ready-To-Wear Stores		
	1982	1977	1972**	1982	1977	1972**
Number of stores *	17,899	16,025	13,845	44,084	40,227	33,375
Total sales (millions)	\$13,471.4	\$ 7,801.0	\$ 4,814.6	\$20,310.8	\$12,343.7	\$8,307.7
Dress sales***	592.7	491.5	385.2	3,737.2	2,641.5	2,251.4
% to total store	4.4	6.3	8.0	18.4	21.4	27.1

* Includes only establishments with payroll. Leased departments in this classification are counted as separate establishments, and not included with data on stores in which operated in 1972.

** Data for 1972 may be slightly affected by different treatment of leased departments.

*** Includes both women's and girls' dresses.

Source: U.S. Bureau of the Census, RC82-I-16, - 17.

RETAIL SALES BY TYPE OF OUTLET

Specialty Stores

Total sales of women's ready-to-wear stores in 1983 amounted to \$19,685 million, according to the Census Bureau (including both stores with payroll and those without payroll). Sales of family clothing stores were reported at \$11,904 million.

Almost 93% of women's ready-to-wear stores with payrolls in the U.S. operated with fewer than 20 employees and almost three-quarters employed less than 10 persons in 1981, according to the Bureau of the Census.

Women's Ready-to-Wear Stores by Employee Size, 1981 (Including Only Stores With Payroll)

	<u>Establishments</u>		<u>Employees</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
Women's ready-to-wear stores, total	39,846	100.0%	344,336	100.0%
By establishment size:				
Under 10 employees	29,422	73.8	126,657	36.8
10-19 employees	7,557	19.0	102,512	29.8
20-49 employees	2,379	6.0	67,185	19.5
50-99 employees	370	0.9	25,058	7.3
100 or more employees	118	0.3	22,924	6.6

Source: U.S. Bureau of the Census,
County Business Patterns, 1981.

Typical operating results in specialty stores (primarily women's and family clothing stores) are published annually by the Controllers' Congress, National Retail Merchants Association. In the latest available report covering 1982, the typical dress operation registered a gain of 4.7% in sales compared with 1981, with all the gains centered in misses' dresses, while both women's and juniors' registered declines in the typical (median) operation.

Merchandising & Operating Results of Dress Departments In Specialty Stores With Sales Over \$1 Million, 1983 (Median Results)

	<u>All Adult</u>				
	<u>Female</u>	<u>All</u>	<u>Women's</u>	<u>Misses'</u>	<u>Juniors'</u>
	<u>Apparel</u>	<u>Dresses</u>	<u>Dresses</u>	<u>Dresses</u>	<u>Dresses</u>
	<u>(34)*</u>	<u>(31)*</u>	<u>(9)*</u>	<u>(21)*</u>	<u>(22)*</u>
Net sales, % change from last year	+ 9.5%	+ 5.1%	+ 8.9%	+ 4.9%	+ 7.7%
Sales, % to total store	54.0	4.7	2.0	5.0	1.7
Sales, % of adult female apparel	100.0	7.8	4.0	10.4	3.6
\$ sales per sq. ft. of selling space (main or largest unit)	\$143.9	\$143.4	na	\$121.5	\$89.8
Cumulative markon, %	51.9%	51.6%	54.8%	51.5%	51.7%

(continued)

RETAIL SALES BY TYPE OF OUTLET

Specialty Stores

Merchandising & Operating Results of Dress Departments In Specialty Stores With Sales Over \$1 Million, 1983 (Median Results) (continued)

	All Adult Female Apparel (35)*	All Dresses (31)*	Women's Dresses (9)*	Misses' Dresses (21)*	Juniors' Dresses (22)*
Gross margin, % of net sales					
including cash discounts	43.5%	40.8%	44.5%	41.1%	43.2%
Markdowns, % of net sales					
including employee discounts	22.1	26.9	24.4	27.2	25.2
Number of stock turns (times)	3.8	3.5	3.3	3.5	4.6

* Number in parentheses is the number of reporting stores in each category.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1983.
(1984 Edition)

Department Stores

The U.S. Census Bureau's preliminary report covering findings in the 1982 Census of Retail Trade for department stores do not include information on dress departments. However, the total number of stores was reported at 10,035 compared with 8,807 in 1977. Total sales of department stores in 1983, according to an annual report on retail sales issued by the Bureau showed department store volume totaling \$116.7 billion.

In the NRMA report on typical operating results by departments in 1983, a median gain of 10.8% was reported in sales of dress departments as a whole. This compares with a loss of 0.5% in the typical store in 1982. (The number of stores reporting was somewhat different--97 department stores in 1982, 90 for 1983, which may account for some of the change in the median).

The typical misses dress department last year registered an 11.6% gain in sales compared with 1982. In 1982, the median figure for the department was a loss (-1.4%) compared with 1981.

RETAIL SALES BY TYPE OF OUTLET

Department Stores

Merchandising & Operating Results of Dress Departments in Department Stores With Sales Over \$1 Million, 1983 (Median Results)

	All Adult Female Apparel (95)*	All Dresses (90)*	Women's Dresses (75)*	Misses' Dresses (69)*
Net sales, % change from last year	+ 10.3%	+ 10.8%	+ 8.5%	+ 11.6%
Sales, % to total store	25.9	2.9	0.4	2.9
Sales, % of adult female apparel	100.0	7.1	1.5	10.7
\$ sales per sq. ft. of selling space (main or largest unit)	\$145.5	\$112.1	\$110.1	\$140.3
Cumulative markon, %	51.3%	51.0%	51.0%	51.1%
Gross margin, % of net sales, including cash discounts	43.7	41.0	41.2	40.7
Markdowns, % of net sales, including employee discounts	22.5	26.0	25.6	26.3
Number of stock turns (times)	3.9	3.6	3.5	3.8

	Juniors' Dresses (83)*	Bridal/ Formal Dresses (36)*	Utility Dresses, Aprons & Uniforms (18)*	Maternity Clothing & Accessories (46)*
Net sales, % change from last year	+ 9.3%	+ 1.7%	+ 6.2%	+ 2.1%
Sales, % to total store	0.8	0.2	0.9	0.1
Sales, % of adult female apparel	3.0	0.7	3.9	0.6
\$ sales per sq. ft. of selling space (main or largest unit)	\$ 89.5	\$136.4	\$ 84.5	\$ 86.0
Cumulative markon, %	51.5%	49.5%	51.1%	52.2%
Gross margin, % of net sales, including cash discounts	43.8	36.0	43.5	46.8
Markdowns, % of net sales, including employee discounts	21.9	18.1	22.9	19.3
Number of stock turns (times)	4.6	2.1	4.0	3.0

* Number of reporting stores.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1983
(1984 edition)

RETAIL ADVERTISING

Dresses are promoted most extensively in the spring months. According to information compiled by the Advertising Checking Bureau for 1982, March, April and May accounted for 34.1% of the total newspaper ad lineage run on women's and misses' dresses, and almost 42% of the total on juniors' dresses.

Percent of Year's Total Retailers' Newspaper Ad Linage on Dresses Run Each Month, 1982

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Total</u>
Dresses													
Women's, Misses'	6.6	8.5	11.5	11.1	11.5	7.3	5.8	8.0	8.9	7.4	7.4	6.0	100.0%
Juniors'	4.3	4.8	13.1	15.5	13.3	7.2	7.9	8.8	4.6	6.6	7.6	6.3	100.0

Source: Newspaper Advertising Bureau Planbook, 1984

CONSUMER PRICE TRENDS

During the first six months of 1984, the Consumer price index for all urban consumers (CPI-U) for dresses rose at a seasonally adjusted annual rate of 2.0%, compared with a decline of 4.5% in price levels for all women's apparel, according to the U.S. Bureau of Labor Statistics. The gains, however, were concentrated in the early months of the year. The June 1984 index was 1.6% below the seasonally adjusted index for May.

CPI-U For Women's Dresses & All Women's Apparel

	Seasonally Adjusted					
	Annual Average		% Change	Annual Rate -- % Change:		
	<u>1983</u>	<u>1982</u>		<u>3 Mo. Ending</u>	<u>6 Mo. Ending</u>	
			<u>1983/1982</u>	<u>June 1984</u>	<u>June 1984</u>	
All items	298.4*	289.1*	+ 3.2	+ 3.3%	+ 4.1%	
Women's apparel	107.5**	105.5**	+ 1.9	- 4.4	- 4.5	
Dresses	165.2	159.8*	+ 3.4	- 5.6	+ 2.0	

* 1967 = 100

** 12/77 = 100

Source: U.S. Bureau of Labor Statistics

CONSUMER BUYING HABITS

The following information on consumer purchases has been supplied by NPD Special Industry Services, one of the NPD Group of Marketing & Research Companies, Port Washington, N.Y. The findings are based on an on-going monthly panel diary tracking the purchases of 6,500 nationally representative families. The tables on dresses of all types cover purchases made for women age 14 and older.

In the twelve-month period ending June 1984, reported purchases of dresses were down 2.3% in units compared with the same period a year earlier. Dollar expenditures, however, were up 5.45%--reflecting both price increases and trading up.

CONSUMER BUYING HABITS

Percent of Households Purchasing Specified Apparel Each Month, 1981

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Dresses, suits, skirts & blazers	9.7%	8.3%	9.6%	15.2%	13.2%	12.7%	13.0%	12.3%	10.6%	10.8%	9.7%	12.1%

Source: National Panel Diary, quoted in 1984
Newspaper Advertising Planbook, Newspaper
 Advertising Bureau.

In the twelve-month period ended June 1984, specialty stores held a 37.6% share of dollars spent on dresses and 29.5% of dress unit sales. Department stores were the next most popular outlet for dress purchases. They accounted for 33.8% of dollars spent and 28.0% of units purchased by NPD panel members over this period.

Percent of Women's Dress Purchases by Outlet Type July 1982-June 1984, Year 1981

	Units			Dollars		
	July 1983 June 1984	July 1982 June 1983	1981	July 1983 June 1984	July 1982 June 1983	1981
Total women's dress purchases	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Department stores	28.0	28.1	26.0	33.8	33.6	32.2
National chains	17.9	17.5	17.6	12.4	13.0	12.6
Specialty stores	29.5	28.0	29.5	37.6	35.6	38.4
Discount stores, incl. K-mart	16.1	17.2	17.5	9.2	9.4	9.8
All other retailers, including mail order	8.5	9.2	9.4	7.0	8.4	7.0

Source: NPD Special Industry Services,
 Textile and Apparel Market Index

A surprisingly large share of reported purchases of dresses on all types cost under \$20 (47.5% in the twelve-month period ending June 1984). On the other end of the scale, a growing percentage of dresses cost upwards of \$40. These accounted for over 18% of units bought in the 1984 period, compared with 16.2% in the twelve months ending June 1983 and about 15% in the year 1981.

Dresses costing \$40 or more accounted for 44.7% of dollar expenditures in the twelve months ending June 1984 compared with 39.7% in the previous twelve months and 38.2% in the year 1981.

CONSUMER BUYING HABITS

Percent of Women's Dress Purchases by Price Points July 1982-June 1984, Year 1981

	Units			Dollars		
	July 1983	July 1982	1981	July 1983	July 1982	1981
	June 1984	June 1984		June 1984	June 1983	
Total women's dress purchases	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
By retail price points:						
Under \$20	47.5	48.0	54.2	21.0	21.7	26.2
\$20 - 29.99	23.8	23.4	20.5	21.2	22.2	20.6
\$30 - 39.99	10.6	12.4	10.6	13.1	16.4	15.1
\$40 - 49.99	6.8	6.3	5.7	10.8	10.6	10.4
\$50 - 79.99	7.1	7.4	6.7	15.7	17.7	16.7
\$80 & over	4.2	2.5	2.3	18.2	11.4	11.1

On an overall basis covering all types of dresses, May, June and July were the most important months for dress purchases, according to NPD data.

Percent Distribution of Women's Dress Purchases by Months, July 1982-June 1984

Period	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Units													
1984	5.3	6.4	8.9	9.7	12.2	12.2	11.1	8.7	5.3	7.1	6.0	7.2	100.0%
1983	5.5	6.0	9.2	10.9	12.9	10.8	10.8	8.6	5.9	6.4	6.2	6.6	100.0
Dollars													
1984	4.5	6.6	9.4	10.7	11.1	10.4	9.2	7.9	5.3	8.4	7.0	9.5	100.0
1983	4.8	5.4	9.9	10.9	14.0	9.9	9.2	7.6	7.0	7.3	7.1	6.9	100.0

Seventeen Magazine's spring apparel buying survey, conducted annually for the magazine, obtained 1983 purchase information from 1,027 teen girls on Seventeen's 2,000-member Consumer Panel, which represents a cross-section of the female teenage market.

Based on the actual number of dresses purchased by respondents, a projected number of almost 42 million dresses worth an estimated \$1.6 billion at retail, were bought by a total of 11.8 million teenage girls in 1983.

Dress Purchases by Teenage Females, Spring 1983 (Projected to Total Teenage Market)

	Number Purchasing (000)	Number Purchased (000)	Total Expenditures (000)
Dresses, by type			
School			
Above knee-length	4,733	5,585	\$175,648
Below knee-length	4,642	6,313	197,092
Knee-length	3,628	8,054	271,339

(continued)

CONSUMER BUYING HABITS

Dress Purchases by Teenage Females, Spring 1983 (Projected to Total Teenage Market) (continued)

	<u>Number Purchasing (000)</u>	<u>Number Purchased (000)</u>	<u>Total Expenditures (000)</u>
Dresses, by type (cont'd)			
Date			
Above knee-length	3,706	6,856	\$260,871
Below knee-length	3,589	4,307	156,947
Knee-length	2,666	5,279	199,546
Ankle-length	143	147	5,458
Formal gowns	3,940	3,979	271,408
Jumpers	917	1,082	22,993
Projected totals	11,859	41,602	\$1,561,302

A trend to shorter skirt lengths has been reported in WWD for spring 1985, and this gets verification in Seventeen's 1983 Spring Apparel Survey. At the time of the study (May 1983) 14.9% favored skirt lengths just above the knee compared with 5.4% in 1982. This was the highest percentage favoring this length since 1976 when it reached 20.8%. Skirts just below the knee were favored by the biggest share in 1983 (46.5%), down sharply, however, from the 63.2% favoring this length in 1982.

Skirt Length Trends

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1976</u>
Just below knee	46.5%	63.2%	80.8%	36.1%
At the knee	17.1	12.7	10.9	32.4
Just above the knee	14.9	5.4	1.3	20.8
Any/all lengths	13.5	9.7	1.4	4.5
Midi	6.5	7.7	5.1	2.9
Ankle-length	1.5	1.3	0.5	1.2
Mini	--	--	--	1.9
Total	100.0%	100.0%	100.0%	100.0%

Department stores are favored by teen girls for their dress purchases, according to the survey. Over 63% said they usually purchase their dresses in these stores. Boutique/specialty stores followed in popularity (39.4%). Comparable figures in the 1983 Spring Apparel Survey were 61.6% and 39.7%, respectively.

CONSUMER BUYING HABITS

Usual Place of Purchase of Dresses, 1981, 1983

	<u>% of Respondents</u>	
	<u>1983</u>	<u>1981</u>
Department store	63.4%	61.6%
Boutique/specialty store	39.4	39.7
Discount store	3.2	4.7
Variety store	3.2	3.8
Mail order	4.5	4.4
Other	4.5	2.8
Total	100.0%*	100.0%*

* Total adds to more than 100.0% due to multiple mentions.

Source: Seventeen Magazine
1982, 1983 Spring Apparel Studies

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COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

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MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

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**Market Research Division
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Retailing/Merchandising Trends

FAIRCHILD FACT FILE

Prepared by

Market Research Division

Audrey S. Balchen, Director

Kenneth Greenman, Research Analyst

Gregory Becker, Research Analyst

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TRENDS IN RETAIL TRADE

CURRENT VIEW

Recovering from cutbacks in spending in the recession years of 1981 and 1982, retail sales in outlets of all types went over the trillion dollar mark in 1983, reaching \$1,174 billion. The sales level represented a gain of 9.2% compared with 1982 in current dollar terms, and a 6.2% rise after adjustment for price increases. This compares with a current dollar gain of only 3.0% in 1982 over 1981.

Sales in durable goods stores were strongest, registering a gain of 17.6% in 1983 compared with 1982--the strongest gain since 1976. This was a direct result of the improved economy, which spurred consumers to go out and buy high-ticket items--appliances, cars, furniture--purchases which had to be postponed in the recession period. Sales in nondurable goods stores in 1983, on the other hand, gained only 5.6%.

The buoyant mood of consumers continued through most of 1984, then sales gains slowed down. In the first eight months, on a seasonally adjusted basis, total retail sales were up 11.6% compared with the same 1983 period, but this dwindled to a gain of 10.8% in the 10 months through October, according to the Department of Commerce. Advance data for the year 1984 indicates a rise of somewhat over 10% in total retail sales compared with 1983, on a current dollar basis, without adjustment for price increases. Changes in profitability, however, are another matter in view of the sharp price-cuts initiated, particularly at the Christmas selling season.

Durable goods retailers continued to do best in 1984. For the first 10 months of the year, sales of the durable goods store group were up 18.7% on a seasonally adjusted basis if automotive sales are included. Excluding these, the gain was 8.4%. Nondurable goods stores managed a 7.0% sales gain compared with the same 1983 period. However, helped considerably by a sharp rise in spending in women's and children's wear, department store sales in the 10-month period were up 11.3%; women's wear store sales, 15.5%.

Advance data for November 1984 indicated a rise of 8.3% compared with the same 1983 month in total retail sales (seasonally adjusted). Durable goods store sales were up 12.9%, nondurable goods stores, up 5.9%. Department store volume was reported to be up 9.6% for the month compared with November 1983; apparel and accessory store sales gained 7.3%.

At the close of the year, inventories of some merchandise were at uncomfortably high levels, and most retail trade was highly promotional--continuing into the early months of 1985 as retailers tried to clear the decks for Spring lines.

Viewing the outlook for the general merchandise sector of retail trade at a meeting of security analysts late in 1984, the chairman of Federated Department Stores, Inc., Howard Goldfeder said growth would probably slow modestly, particularly in the first half of 1985. Sales for the year were expected to rise about 8% on top of a 9% increase in 1984. According to this source, the retail climate, particularly for retailers whose strategies are aimed at upscale and middle income customers, will be stronger in 1985 than it has been in recent years because of demographic and lifestyle changes that are creating a strong demand for consumer goods, particularly apparel and home furnishings.

TRENDS IN RETAIL TRADE

CURRENT VIEW

The overall outlook for retail trade in 1985, according to industry analysts, indicates a recession-free, low-inflation business climate in 1985. An inflation rate (Consumer Price Index) at about 5% is expected. (For the 12-month period ended November 1984, the CPI increased 4.0%). Many analysts look for a gain of about 9% in current dollar sales in 1985, but profit margins are expected to be lower than in 1984 due to an expected highly competitive arena which will force retailers to continue to promote and to price-cut.

Government measures could have a major impact on retail sales in 1985 and later. Currently, tax reforms and actions to restrain interest rates and curb imports are all being considered by the Reagan administration. Depending on what actions are taken and the effectiveness of actions, the impact on retail sales could be tremendous.

RETAIL SALES BY OUTLET TYPE

Estimated Sales of Retail Stores by Major Classification
(Millions of Current Dollars)

	<u>1983</u>	<u>1982</u>	<u>% Change</u> <u>1983/1982</u>
Retail trade, total	\$1,174,033	\$1,074,837	+ 9.2%
Durable goods stores, total	381,538	324,489	+ 17.6
Building materials, hardware/ garden supply, mobile home dealers	58,871	51,301	+ 16.7
Automotive dealers	219,876	182,607	+ 20.4
Furniture, home furnishings, equipment stores	53,981	46,106	+ 17.1
Jewelry stores	8,990	8,240	+ 9.1
Nondurable goods stores, total	792,495	750,348	+ 5.6
General merchandise group stores	143,491	132,581	+ 8.2
Department stores*	117,323	107,863	+ 8.8
Other general mdse. stores	17,046	15,900	+ 7.2
Variety stores	9,122	8,818	+ 3.4
Food stores (incl. supermarkets)	258,964	249,257	+ 3.9
Gasoline service stations	105,374	103,547	+ 1.8
Apparel & accessory stores	55,915	51,481	+ 8.6
Eating & drinking places	114,837	104,715	+ 9.7
Drug/proprietary stores	39,845	35,967	+ 10.8
Liquor stores	20,422	19,394	+ 5.3
Nonstore retailers**	24,091	23,255	+ 3.6
Mail-order houses (department store merchandise)	4,224	4,192	+ 0.8
GAF, total***	291,637	265,894	+ 9.7

(continued)

TRENDS IN RETAIL TRADE

RETAIL SALES BY OUTLET TYPE

(footnotes from previous table)

* Includes discount department stores as well as traditional department stores. Also includes stores operated by catalog chains, such as Sears Roebuck or others which meet the standard definition of a department store (Standard Industrial Classification).

**Includes establishments primarily selling merchandise through coin-operated vending machines, by house-to-house canvass, and from mail-order.

***GAF represents stores which specialize in department store types of merchandise --general merchandise, apparel and home furnishings stores.

Note: Kind of business classifications used in the above table are not interchangeable with commodity classifications. Most businesses sell several kinds of commodities. Major store group classifications include outlet types not separately listed.

Source: U.S. Department of Commerce, Current Business Reports
(BR-83-13) 1983 Retail Trade

Retail Sales Total & Per Capita Sales, 1974-1983 (In Current Dollars)

Year	Retail Sales		Durable Goods Stores		Nondurable Goods Stores	
	Total	Per Capita	Total	Per Capita	Total	Per Capita
	(millions of dollars)	Sales (dollars)	(millions of dollars)	Sales (dollars)	(millions of dollars)	Sales (dollars)
1974	540,988	2,556(r)	169,417	801	371,571	1,756
1975	588,146	2,751	182,966	856	405,180	1,895
1976	657,375	3,045	217,805	1,009	439,570	2,036
1977	725,220	3,325	248,692	1,140	476,528	2,185
1978	806,898(r)	3,660(r)	278,528(r)	1,263(r)	528,370(r)	2,397(r)
1979	899,379(r)	4,034(r)	302,143(r)	1,355(r)	597,236(r)	2,679(r)
1980	960,767(r)	4,258(r)	292,383(r)	1,296(r)	668,384(r)	2,962(r)
1981	1,043,524(r)	4,579(r)	315,675	1,385(r)	727,849(r)	3,194(r)
1982	1,074,837(r)	4,671(r)	324,489	1,410(r)	750,348(r)	3,261(r)
1983	1,174,033	5,054	381,538	1,643	792,495	3,412

(r) revised

Source: U.S. Department of Commerce, Current Business Reports
(BR-83-13) 1983 Retail Trade

Growth rates over the years have varied considerably by outlet type, reflecting changing economic and market conditions. Performances in 1982 were patterned by the recession, no store-type did very well, but durable goods retailers--selling high-ticket items--were particularly hard hit. A strong revival was reflected in 1983 for most store types; others, such as gasoline service stations were affected by a drop in prices.

TRENDS IN RETAIL TRADE

RETAIL SALES BY OUTLET TYPE

Change in Retail Sales by Outlet Type, 1979-1983, Jan-Sept. 1984/83
(Based on Current Dollars)

	Jan.-Sept.	Annual Total			
	1984/83	1983/82	1982/81	1981/80	1980/79
Retail trade, total	+11.4%	+ 9.2%	+ 3.0%	+ 8.6%	+ 6.8%
Food stores	+ 6.3	+ 3.9	+ 4.6	+ 7.6	+11.6
Automotive dealers	+21.8	+20.4	+ 4.7	+18.3	- 9.3
General merchandise group stores	+11.0	+ 8.2	+ 3.4	+10.8	+ 4.9
Department stores*	+11.7	+ 8.8	+ 3.8	+11.3	+ 4.7
Variety stores	+ 6.4	+ 3.4	+ 1.3	+ 6.4	+ 1.5
Eating & drinking places	+ 8.8	+ 9.7	+ 6.6	+ 9.0	+ 9.8
Gasoline service stations	+ 2.3	+ 1.8	- 3.8	+11.0	+29.2
Building materials, hardware, garden supply, & mobile home dealers	+16.1	+16.7	- 2.0	+ 3.1	- 0.3
Apparel & accessory stores	+11.2	+ 8.6	+ 2.2	+ 8.8	+ 6.4
Men's & boys' wear stores	+ 5.7	+ 3.5	- 1.3	+ 4.3	- 0.1
Women's wear stores, incl. furriers	+16.6	+11.4	+ 4.8	+ 8.0	+ 2.9
Family clothing stores	+13.2	+11.8	+ 7.5	+ 9.0	+11.5
Shoe stores	+ 6.1	+ 7.1	- 4.1	+11.7	+ 8.1
Furniture, home furnishings & equipment stores	+14.8	+17.1	- 0.7	+ 5.7	+ 4.1
Drug & proprietary stores	+ 8.9	+10.8	+ 7.1	+ 9.7	+ 8.7
Nonstore retailers**	+ 7.2	+ 3.6	- 0.7	+ 2.3	+10.4
Mail-order houses (Dept. store mdse.)	+ 9.9	+ 0.8	- 3.5	- 3.9	+ 2.0

See footnotes on preceding table.

Source: U.S. Department of Commerce,
Current Business Report:
Revised Monthly Retail Sales & Inventories, BR-13-83S;
Monthly Retail Trade, September 1984, BR-84-09

The pattern in contribution to total store sales made by store type shifts somewhat in response to market conditions. When gasoline prices skyrocketed, service stations' share of total sales went up, but has fallen off in response to price cuts. Food stores historically control the biggest piece of the retail pie. People have to eat. But this store group also includes supermarkets which have vastly expanded their general merchandise stocks. Department stores are fighting to hold market shares in all areas, as will be discussed in later sections of this report.

TRENDS IN RETAIL TRADE

RETAIL SALES BY OUTLET TYPE

Distribution of Retail Sales by Store Type, 1979-1983, Jan.-Sept. 1984

	Jan.- Sept. 1984	Annual Total				
		1983	1982	1981	1980	1979
Total retail sales (billions \$)	\$939.5	\$1,174.0	\$1,074.8	\$1,043.5	\$960.8	\$899.4
Percent of total:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Food stores	21.7	22.1	23.2	22.8	23.1	22.1
Automotive dealers	21.3	18.7	17.0	16.7	16.5	19.4
General merchandise group stores	10.9	12.2	12.3	12.3	12.0	12.3
Department stores*	9.0	9.9	10.0	10.0	9.7	9.9
Variety stores	0.7	0.8	0.8	0.8	0.9	0.9
Eating & drinking places	10.0	9.8	9.7	9.4	9.4	9.1
Gasoline service stations	8.4	9.0	9.6	10.3	10.1	8.4
Building materials, hardware, garden supply, & mobile home dealers	5.5	5.1	4.8	5.0	5.3	5.7
Apparel & accessory stores	4.3	4.8	4.8	4.8	4.8	4.8
Men's & boys' wear stores	0.6	0.7	0.8	0.8	0.8	0.9
Women's wear stores, incl. furriers	1.8	1.8	1.8	1.8	1.8	1.9
Family clothing stores	0.9	1.0	1.1	1.0	1.0	1.0
Shoe stores	0.7	0.8	0.8	0.9	0.9	0.9
Furniture, home furnishings & equipment stores	4.4	4.6	4.3	4.4	4.6	4.7
Drug & proprietary stores	3.2	3.4	3.4	3.2	3.2	3.1
Nonstore retailers**	1.9	2.0	2.2	2.2	2.4	2.3
Mail-order houses (dept. store mdse.)	0.3	0.4	0.4	0.4	0.5	0.5

See footnotes on preceding tables.

Source: U.S. Department of Commerce,
Current Business Reports:
Revised Monthly Retail Sales & Inventories,
BR-15-83S;
Monthly Retail Trade, 1984, BR-84-09

STORE PURCHASES & GROSS MARGINS

Purchases made by retail stores of all types in 1983 were estimated at \$818 billion. This represents the total cost of merchandise purchased for resale during the year, including shipping costs, etc. Gross margins for all retail operations amounted to 31.4% of sales in 1983, but varied considerably by outlet type. (Gross margins represent total sales less cost of goods sold.)

For the durable goods category, the gross margin was 27.8% of sales. The furniture group posted the highest gross margin to sales ratio, 39.6%, while the automotive group showed the lowest, 20.9%. The gross margin for the nondurable goods category was 33.1%, but for department stores it registered 38.5%; for apparel and accessory stores, 42.2%.

TRENDS IN RETAIL TRADE

STORE PURCHASES & GROSS MARGINS

Estimated Sales, Purchases, Gross Margin & Gross Margin as a Percent of Sales,
by Kind of Business, 1983
 (Millions of Dollars)

<u>Kind of Business</u>	<u>Total Sales</u>	<u>Purchases</u>	<u>Gross Margin</u>	<u>Gross Margin as a % of Sales</u>
Retail trade, total	\$1,174.0	\$ 818.0	\$368.5	31.4%
Total (excluding automotive group)	954.2	639.8	322.6	33.8
Durable goods stores, total	381.5	283.0	106.0	27.8
Building materials, hardware, garden supply & mobile home dealers	59.9	42.9	18.4	30.8
Building materials, supply, hardware stores	52.3	37.8	15.7	30.0
Building materials & supply stores	42.8	31.3	12.5	29.2
Hardware stores	9.5	6.4	3.2	33.7
Automotive dealers/automotive supply stores	219.9	178.2	45.9	20.9
Furniture, home furnishings, equipment stores	54.0	34.0	21.4	39.6
Furniture & home furnishings stores	30.8	18.4	13.1	42.6
Furniture stores	19.9	12.0	8.3	41.8
Household appliance, radio & TV stores	19.0	12.8	6.7	35.5
Household appliance stores	7.8	5.7	2.3	29.0
Jewelry stores	9.0	4.8	4.5	50.0
Nondurable goods stores, total	792.5	535.0	262.4	33.1
General merchandise group stores	143.5	92.1	53.6	37.4
Department stores, miscellaneous general merchandise stores	134.4	86.2	50.4	37.5
Department stores	117.3	74.2	45.2	38.5
Variety stores	9.1	5.9	3.2	35.2
Food stores	259.0	198.0	61.6	23.8
Grocery stores	242.4	188.2	54.8	22.6
Gasoline service stations	105.4	89.1	16.2	15.4
Apparel & accessory stores	55.9	33.4	23.6	42.2
Men's, boy's clothing, furnishings stores	8.4	4.8	3.7	44.0
Women's ready-to-wear stores	19.8	11.9	8.5	42.8
Family clothing stores	12.8	8.2	5.1	39.5
Shoe stores	9.5	5.3	4.3	45.2
Eating & drinking places	114.8	45.5	69.4	60.5
Drug stores & proprietary stores	39.8	27.9	12.5	31.3
Liquor stores	20.4	15.5	5.0	24.7
GAF, total	291,637	182,752	114,293	39.2

*GAF represents stores which specialize in department store types of merchandise.

Source: U.S. Department of Commerce, Current Business Reports
 (BR-83-13) 1983 Retail Trade.

TRENDS IN RETAIL TRADE

RETAIL SALES BY REGION

Between 1982 and 1983, only two regions of the country registered growth in retail sales higher than the national average-- New England (+12.7%) and South Atlantic (+13.3%). Three-quarters into 1984, four regions of the country are showing growth above the national average: the South Atlantic, New England, West North Central and Middle Atlantic regions.

Between 1982 and 1983, the slowest growth in retail sales was in the West South Central region. However, between 1979 and 1981, this region showed a growth rate well above the national average. In the period January through September 1984, the slowest growing region was the East South Central, which had shown double digit gains in the previous year.

Percent Change in Retail Sales by Region 1979-1983, January-September, 1984/83

	January- September 1984/1983	Annual Total			
		1983/1982	1982/1981	1981/1980	1980/1979
Total retail sales	+ 11.8%	+ 9.3%	+ 3.0%	+ 8.6%	+ 6.8%
New England	+ 12.8	+ 12.7	+ 3.7	+ 11.4	+ 7.4
Middle Atlantic	+ 11.9	+ 8.7	+ 4.7	+ 5.7	+ 8.4
East North Central	+ 10.2	+ 6.8	+ 1.3	+ 5.9	+ 2.1
West North Central	+ 12.6	+ 8.3	+ 4.7	+ 8.6	+ 2.4
South Atlantic	+ 14.4	+ 13.3	+ 2.9	+ 10.1	+ 9.6
East South Central	+ 8.8	+ 10.2	+ 5.1	+ 5.4	+ 3.6
West South Central	+ 9.5	+ 6.3	+ 3.3	+ 13.7	+ 11.7
Mountain	+ 11.3	+ 7.6	+ 1.8	+ 11.2	+ 10.0
Pacific	+ 10.0	+ 9.7	+ 1.7	+ 8.7	+ 7.0

Source: U.S. Department of Commerce,
Current Business Reports,
Revised Monthly Retail Sales & Inventories
BR-13-83S;
Monthly Retail Trade, September 1984
BR-84-09

States included within each geographical region are as follows:

New England (Me., N.H. Vt., Mass., R.I., Conn.)
Middle Atlantic (N.Y., N.J., Pa.)
East North Central (Oh., Ind., Ill., Mich., Wis.)
West North Central (Minn., Ia., Mo., N.D., S.D., Neb., Kans.)
South Atlantic (Del., Md., D.C., Va., W.Va., N.C., S.C., Ga., Fla.)
East South Central (Ky., Tenn., Ala., Miss.)
West South Central (Ark., La., Okla., Tex.)
Mountain (Mont., Id., Wyo., Colo., N.M., Ariz., Utah, Nev.)
Pacific (Wash., Ore., Cal., Alaska, Haw.)

TRENDS IN RETAIL TRADE

RETAIL SALES BY REGION

The South and West regions of the country, which together accounted for 90% of national population growth during the 1970-1980 decade, have continued to expand, accounting for 92% of population growth from April 1, 1980 to July 1, 1982, according to the Census Bureau. The proportion of the Nation's population in the South and West increased from 48% in 1970 to 53% in 1982.

The movement of the population to the Sunbelt States, as well as changing economic conditions, particularly in industrial areas which have suffered from above average unemployment rates and plant closings, is reflected in the pattern of retail sales by geographic region of the U.S.

Distribution of Retail Sales By Region 1979-1983
(Percent of Total Retail Sales)

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
Total retail sales	100.0%	100.0%	100.0%	100.0%	100.0%
New England	6.3	6.1	6.1	5.9	5.9
Middle Atlantic	15.0	15.1	14.9	15.3	15.0
East North Central	16.7	17.1	17.4	17.8	18.6
West North Central	7.2	7.3	7.2	7.2	7.5
South Atlantic	16.7	16.1	16.1	15.9	15.5
East South Central	5.6	5.5	5.4	5.6	5.7
West South Central	11.2	11.5	11.5	11.0	10.5
Mountain	5.4	5.5	5.5	5.4	5.2
Pacific	15.8	15.8	16.0	16.0	15.9

Source: U.S. Department of Commerce
Current Business Reports,
Revised Monthly Retail Sales & Inventories BR-13-83S

RETAIL SALES BY METROPOLITAN AREA

According to Sales & Marketing Management magazine, the Los Angeles/Long Beach metropolitan area had the highest level of retail sales in the U.S. in 1983, with \$41.6 billion or 3.5% of the total for the entire country. New York ranked second while Chicago was in third place. Complete results for the top ten metropolitan areas, as ranked by Sales & Marketing Management, follows.

Retail Sales by Leading Metropolitan Area, 1979, 1983

<u>Rank</u>		<u>Metropolitan Area</u>	<u>Total Retail Sales</u> <u>(\$ Mil.)</u>		<u>% Change</u> <u>1983/1979</u>	<u>% of Total U.S.</u> <u>Retail Sales</u>	
<u>1983</u>	<u>1979</u>		<u>1983</u>	<u>1979</u>		<u>1983</u>	<u>1979</u>
1	1	Los Angeles/Long Beach	\$41,630.3	\$31,088.9	+ 33.9%	3.5%	3.5%
2	3	New York	33,123.4	29,054.4	+ 7.2	2.8	3.3
3	2	Chicago*	31,119.3	30,308.7	+ 2.6	2.6	3.4
4	4	Detroit	22,832.6	20,647.7	+ 10.6	1.9	2.3
5	5	Philadelphia	22,401.2	17,376.0	+ 28.9	1.9	2.0

(continued)

TRENDS IN RETAIL TRADE

RETAIL SALES BY METROPOLITAN AREA

Retail Sales by Leading Metropolitan Area, 1979, 1983
(continued)

Rank		Metropolitan Area	Total Retail Sales (\$ Mil.)		% Change 1983/1979	% of Total U.S. Retail Sales	
1983	1979		1983	1979		1983	1979
6	7	Boston/Lowell/Haverhill/ Brockton/Lawrence	\$22,190.5	\$14,664.2	+ 51.3%	1.9%	1.7%
7	10	Washington, D.C.	20,844.0	13,637.0	+ 52.8	1.8	1.5
8	8	Houston	20,315.2	14,501.1	+ 40.1	1.7	1.6
9	11	Nassau/Suffolk	15,389.1	11,144.4	+ 38.1	1.3	1.3
10	9	Dallas	14,274.8	13,699.8	+ 4.2	1.2	1.5

*The high rank of Chicago in terms of retail sales reflects the mail-order headquarters operations of Sears, Roebuck & Co. and Montgomery Ward & Co.

Source: Sales & Marketing Management
Survey of Buying Power, 1984 & 1980 Editions
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MULTI-UNIT RETAILERS

Large-scale retail organizations, operating many outlets, have been increasing their share of the market in many areas of retail trade, and the small independents are losing ground. The Department of Commerce compiles data on sales based on a sample of companies which had 11 or more retail establishments within the same retail trade classification.

Multi-unit organizations of 11 or more stores accounted for 35.4% of total sales in 1983, up from 34.3% in 1979. Concentration of business among the larger organizations is most marked in department stores. Here about 96% of sales is garnered by the multi-unit organizations. Notable gains have been made by multi-unit specialty store operators--those with 11 or more stores have upped their share of total retail trade from 36.8% in 1979 to 41.2% last year. The single shoe store is pretty much a thing of the past. Operations with 11 or more shoe stores have increased their share of total sales from 41.4% in 1979 to over 51% in 1983.

Multi-units'* Share of Retail Sales by Store Type, 1979-1983

	Percent of Total Sales in Each Store Type				
	1983	1982	1981	1980	1979
Total retail sales	35.4%	36.3%	35.6%	35.1%	34.3%
Auto & home supply stores	20.6	20.6	20.6	20.1	22.5
General merchandise group stores	90.2	90.1	90.0	90.9	90.1
Department stores	95.7	95.6	95.8	97.2	96.0
Variety stores	78.4	80.4	79.8	80.6	77.2

(continued)

TRENDS IN RETAIL TRADE

MULTI-UNIT RETAILERS

Multi-units'* Share of Retail Sales by Store Type, 1979-1983

	Percent of Total Sales in Each Store Type				
	1983	1982	1981	1980	1979
Food stores	54.4%	54.4%	53.5%	52.0%	52.5%
Apparel & accessories stores	41.2	39.2	37.2	36.8	36.8
Women's apparel stores, incl. furriers	44.9	43.4	43.7	43.1	42.0
Family clothing stores	48.6	47.2	45.4	44.1	46.4
Shoe stores	51.4	48.7	41.5	41.6	41.4
Eating places	23.4	23.7	23.4	23.2	22.7
Drug & proprietary stores	55.7	54.0	53.2	52.9	50.4

*A multi-unit is defined as a store group with 11 or more outlets

Source: U.S. Department of Commerce,
Current Business Reports,
Revised Monthly Retail Sales & Inventories BR-13-83S.

RETAIL STORES/RETAIL EMPLOYMENT

Every five years the U.S. Bureau of the Census compiles a complete census of retail trade in the U.S. This provides benchmark data for the on-going reports issued by the Census Bureau (Department of Commerce), and sales information in greater detail. Even more important, the census reports provide information on the number of retail outlets by type of business, concentration of stores and sales by size of firm, regional data and sales by merchandise line in each store type.

The most recent census compiled by the Bureau covers operations in the year 1982. To date, only preliminary information has been released on number of outlets and total sales by outlet type, total annual payrolls and number of paid employees by store type. All figures available to date from the 1982 census of retail trade are preliminary, subject to revision in final reports which will be issued by the Census Bureau in great detail over the next two years. (The following data on establishments (individual stores) covers those outlets with paid employees which were in business at the end of the year. Employment figures cover establishments with payroll which were in business anytime during the year.)

TRENDS IN RETAIL TRADE

RETAIL STORES/RETAIL EMPLOYMENT

Overall, the number of retail establishments in operation in the U.S. increased 1.4% in 1982 compared with 1977. On a percentage basis, the biggest gain in number of stores was noted for shoe stores--up 47.7%. This gain was due to a large extent to the opening of specialized athletic footwear stores. Next in rate of expansion were children's and infants' wear stores (up 22.7%). Registering the sharpest decline was the number of variety stores (-23.6%). These outlet types, specializing in very low-priced items, have not been able to survive in the face of inflation and pressure from large-scale discounters.

Number of Establishments & Employees in the Retail Industry, 1977, 1982
(Numbers in Thousands)

	Number of establishments* (With payroll)			Paid Employees		
	1982(p)	1977	% Change 1982/77	1982(p)	1977	% Change 1982/77
Total retail trade**	1,322.1	1,303.6	+ 1.4%	14,416.6	13,040.1	+ 10.6%
Selected types of outlets						
Food stores	176.2	171.6	+ 2.7	2,346.4	1,959.0	+ 19.8
Automotive dealers	89.2	94.8	- 5.9	1,037.3	1,114.7	- 6.9
General merchandise group stores	34.0	38.4	-11.3	1,841.0	2,016.9	- 8.7
Department stores	10.0	8.8	+13.9	1,523.4	1,644.1	- 7.3
Variety stores	10.8	14.2	-23.6	155.7	214.2	- 27.3
Eating & drinking places	318.8	308.6	+ 3.3	4,640.1	3,758.2	+ 23.4
Gasoline service stations	116.1	146.5	-20.7	604.2	672.7	- 10.2
Building materials, hardware, garden supply, & mobile home dealers	66.0	65.7	+ 0.4	503.8	470.1	+ 7.2
Apparel & accessory stores	133.9	114.8	+16.6	986.2	839.7	+ 17.4
Men's & boys' clothing & accessories	17.4	20.6	-15.6	123.0	145.3	- 15.3
Women's clothing, specialty stores & furriers	51.0	44.4	+15.0	400.5	349.0	+ 14.8
Family clothing stores	17.9	16.0	+12.2	219.5	185.6	+ 18.3
Shoe stores	36.0	24.5	+47.4	190.3	121.2	+ 57.0
Children's & infants' wear stores	5.3	4.3	+22.7	24.0	21.2	+ 13.2
Furniture, home furnishings & equipment stores	93.3	91.7	+ 1.8	540.3	512.8	+ 5.4
Furniture stores	29.6	31.3	- 5.6	213.6	220.2	- 3.0
Home furnishings stores	24.6	22.1	+11.4	122.6	104.2	+ 17.7
Household appliance stores	10.5	12.2	+13.9	59.3	65.2	- 9.1
Drug & proprietary stores	48.6	47.2	+ 3.1	491.3	459.5	+ 6.9
Sporting goods stores, bicycle shops	20.1	17.2	+16.8	106.2	77.3	+ 37.4

*Leased departments are included in the kind of business they are in, as if they were separate establishments. They are not consolidated with kind-of-business data for stores in which they are located.

**Includes store types not separately listed.

Source: 1982 Census of Retail Trade (preliminary report)
United States Industry Statistics, RC82-SUM-1(P)
1977 Census of Retail Trade
Geographic Area Series, United States, RC77-A-52

EVOLUTION OF RETAILING ORGANIZATIONS

MULTI-DIVISION RETAIL OPERATORS

The nation's seven largest multi-division retail operators are maintaining a steady level of expansion, adding new department stores and diversifying into non-traditional store-types. Taken together, the seven account for an increasing proportion of total retail sales and store units. In 1983, their combined sales volume exceeded \$32 billion, a gain of more than 15% over the previous year.

Sales & Number of Stores Operated by Multi-Division Operators

<u>Company</u>	<u>Sales (in millions of \$)</u>			<u>Number of Stores (all types)</u>		
	<u>1983</u>	<u>1982</u>	<u>1977</u>	<u>1983</u>	<u>1982</u>	<u>1977</u>
Federated	\$8,690	\$7,699	\$4,923	551	508	323
Dayton Hudson	5,661	4,943	2,126	1,075	981	474
May Department Stores	4,229	3,670	2,193	1,468	1,272	647
Carter Hawley Hale	3,633	3,055	1,648	1,034	961	548
R.H. Macy	3,468	2,979	1,661	93	92	76
Allied Stores	3,216	2,733	1,797	533	512	151
Associated Dry Goods	3,189	2,751	1,539	247	245	139

Source: Fairchild's Financial Manual
of Retail Stores.

No longer are these giants content to count only on the progress of their department store outlets to insure corporate profitability. Though they all still have a strong commitment to department store retailing--particularly Macy's, which chooses to remain solely within this format--there has been a major effort to diversify into specialty, discount and shoe stores, as well as supermarkets.

Federated

Leading the way is Cincinnati-based Federated. The retailer, known for its upscale Bloomingdale's and I. Magnin chains, has taken aim at the baby-boom generation with its new moderate-priced MainStreet stores. Located in the suburbs of Chicago, these stores are trying to carve a niche between the medium-to-low priced mass merchandisers and the higher-priced department stores. They are targeted at young families (25-40) with growing children, those that can't afford designer clothes but still like fashion. MainStreet relies almost entirely on accepted brand names such as Levi and Vanity Fair--instead of designer names and private labels--to reach its "middle market."

A further effort at diversification by Federated is Filene's Basement, its Boston off-price division. Now a separate entity from Filene's (the department store), Filene's Basement, with its low-cost designer lines, is targeted at upscale consumers who are primarily interested in fashion bargains. The growing need for children's apparel, as the baby boomers have their own offspring, prompted Federated to acquire The Children's Place in 1982. Other Federated operations include its low-end discount outlets--Gold Circle and Richway--and its \$1.5 billion Ralph's supermarket chain (127 supermarkets in Southern California).

EVOLUTION OF RETAILING ORGANIZATIONS

MULTI-DIVISION RETAIL OPERATORS

Federated (continued)

Federated's capital expansion outlays totaled approximately \$2 billion in the 1981 to 1985 period. Of that amount, 70% was invested in department stores, 12% in supermarkets, 10% in its two discount chains and the remaining 8% in its three newest divisions--MainStreet, Filene's Basement and The Children's Place. Expenditures for the 1984 to 1988 period are planned at \$2.5 billion to \$3 billion. This sum will be allocated differently as 65% of the outlays are earmarked for department stores, 10% will be spent on both supermarkets and the discounters and the new operations will receive 15%.

There is also a shift at Federated in planning for new store construction. In the 1981 to 1985 period, 49% of capital spending was targeted for additional outlets. Money spent on remodeling existing stores was only 26%. In the 1984 to 1988 period, however, investment in new stores will fall to 39% while remodeling will rise to 35%.

Dayton Hudson

This Minneapolis-based retailer, the second largest multi-division operator, has continued its thrust into non-traditional forms of retailing. Its department store sales contributed only 22% of total volume (led by the now-combined Dayton's and Hudson's). The big growth vehicles for the retailer in 1983 were the Target and Mervyn's divisions.

Target is one of the leading upscale discounters in the nation. Its primary market is young and active. Entry into the southern California market in 1983 helped Target account for 43% of Dayton Hudson's total sales. Mervyn's is a softline store stocking nationally branded and private label apparel, accessories and household softgoods. It seeks to be highly promotional, popular-priced and value-oriented. It is a "trend merchant" moving swiftly to capitalize on consumer fashion preferences, carrying such trendy items as decorative housewares (e.g., copper tea kettles) and more dress-up and activeware classifications.

May Department Stores

Department store sales gained 12.6% for May in 1983 as they accounted for 71% of corporate sales. Its largest division--May Co., California--is presently involved in a major battle for market share in the Los Angeles area with three other retailing giants (see section on Department Stores--Merchandise Mix).

May has expanded its commitment to other retailing activities as well. Its Volume Shoe division had 1,389 self-service family shoe stores in 34 states. They produced the largest store-for-store sales gain among the May retail divisions (13.4%). The Venture discount division accounted for 19% of May sales by offering customers in its economically depressed Midwestern markets low-priced quality merchandise.

EVOLUTION OF RETAILING ORGANIZATIONS

MULTI-DIVISION RETAIL OPERATORS

Carter Hawley Hale

While department stores accounted for the majority (66%) of sales in 1983, it was Carter Hawley Hale's fashion store group that registered the largest percentage increase (22.9%). Consisting of such well-known specialty retailers as Neiman-Marcus and Bergdorf Goodman, this group relied on narrow and deep assortments of trendy merchandise to achieve high profit margins. The company also operates Contempo Casuals and 71 women's sportswear mall shops in California. (Waldenbooks, their nationwide retailer of books, has been sold to K mart.)

R.H. Macy

Macy's is the only multi-division retail operator to improve its market share solely within the department store format. Instead of allocating a percentage of its capital spending budget to specialty and/or discount operations as the others have done, Macy's succeeded in improving its internal productivity by reallocating non-productive space to more efficient use. Its stores have veered sharply into fashion, with a continuing evolution upwards from moderate to better-price. Designer merchandise is prevalent in ready-to-wear assortments. Macy's upgrading of both merchandise quality and promotional levels boosted profits 37.7% on a sales gain of 16.4% in 1983.

Macy's New York's expansion plans for the opening of new department stores are ambitious, highlighted by the opening of ten branch stores over the next six years in southeastern Florida and Texas.

Allied Stores

Allied, which diversified into specialty operations with its 1979 acquisition of Bonwit Teller and Plymouth Shops, still derives the bulk of its sales volume (82%) from its department stores. All of Allied's department stores, with one exception, posted profits in 1983. The highest sales increases came from hard goods, particularly decorative home furnishings, furniture/bedding and consumer electronics.

Typical of the competitiveness of Allied's department stores is Jordan Marsh in New England. As that region experiences a shift from manufacturing to service and high technology industries, it has been necessary for Jordan Marsh to upscale its merchandise for its new white-collar clientele. There has been a new emphasis on fashionable career-oriented clothing. Jordan Marsh has also increased the quantity of its direct mailings and special events presentations.

Associated Dry Goods

Operating on the premise that the number of affluent consumers will increase substantially over the next 15-20 years, Associated Dry Goods has defined its three areas of emphasis for the years ahead. First, ADG will seek to perpetuate the success of its high-quality department store division. Growth will be concentrated on the most profitable chains, led by Lord & Taylor. ADG has targeted a new market for Lord & Taylor--New Orleans--with expansion scheduled for 1986. Private label is gaining consumer acceptance in ADG's department stores. Its portion of the merchandise in ADG department stores will be increased from its present level of 18%.

EVOLUTION OF RETAILING ORGANIZATIONS

MULTI-DIVISION RETAIL OPERATORS

Associated Dry Goods (continued)

A second ADG goal is its entry into the upscale discount segment of the marketplace. The 1981 acquisition of Caldor, a \$1 billion discount operation in six Northeastern states, has given ADG the means to broaden its retail base. The third ADG venture is in the rapidly growing field of off-price retailing. In 1983, it purchased Loehmann's, the nation's largest discounter of high-quality women's apparel. Loehmann's ability to buy at lower than normal prices by purchasing manufacturers' overruns (often for cash and on short notice) has enabled it to sell designer clothing at prices one-third to one-half below those of department stores. Its upscale market appeal has led to the opening of 67 stores in 25 states.

MASS MERCHANDISERS

In analyzing retailing and merchandising trends, the enormous sales volume of the mass merchandisers makes an understanding of their operations essential. The influence of the major chains is felt throughout the industry as they attempt in the 1980's to reposition their stores, in some instances trying to change images that have been built up over decades.

The leading mass merchandiser--Sears, Roebuck--is the world's largest retailer. Ranking right behind Sears in sales by all retailers are two other mass merchandisers--K mart and J.C. Penney. Rounding out the list are Montgomery Ward and F.W. Woolworth. Retail performances for the five mass merchandisers, in fiscal 1983, are as follows:

Chain	Sales (000's omitted)			Number of Stores	
	1983	1982	% Change	1983	1982
Sears, Roebuck & Co.	\$25,089,000	\$20,667,000	+ 12.9%	813	831
K mart Corp.	18,878,900	17,040,800	+ 10.8	2,493	2,569
J.C. Penney Co., Inc.	12,078,000	11,414,000	+ 5.8	3,819	3,861
Montgomery Ward & Co.	6,646,000	6,143,000	+ 8.2	325	389
F.W. Woolworth Co.	5,482,000	5,157,000	+ 6.3	5,276	5,124

Source: Fairchild News Service,
August 23, 1984 (WWD, DNR).

The mass merchandisers have begun the task of overhauling their merchandise assortments and updating the look of their stores. Many felt that they needed to expand the breadth of their clientele, not relying so much on hard goods purchasers. Poorly performing lines have been cut, store presentations have been improved and trendier, more fashion-oriented customers have been sought. A look at each of the five mass merchandising giants individually reveals how they are meeting the challenge of the '80's.

EVOLUTION OF RETAILING ORGANIZATIONS

MASS MERCHANDISERS

Sears, Roebuck

In 1983, the company began a five year, \$1.7 billion capital investment program to refurbish 600 of its outlets according to its "Store of the Future" concept. The essence of the program is the bringing together of distinctive product lines in an attractive and efficient manner. This effort also calls for the construction of 62 stores, also adhering to the new format, nationwide.

A remerchandising of nearly 730 product lines is, obviously, no easy task. Sears executives spent countless hours considering the logical progression of customers through their stores and how to maximize sales by placing one department in close proximity to another. The end result was a grouping of product lines so that merchandise could be placed "where the customer expects to find it." The upgrading program has made Sears stores more closely resemble traditional department stores. There are now numerous "boutiques" for both soft and hard line goods within the major body of the stores.

Sears stores are devoting more floor space to apparel and home fashion departments, supplementing longstanding private label merchandise with nationally branded goods. Its upscale Cheryl Tiegs line is helping to create a new fashion consciousness at Sears that its longstanding customers seem to have adapted to very well. Just the same, the chain is maintaining its traditional hard goods operations, best represented by its automotive centers. Sears sells 37% of the nation's car batteries, as well as 22% of all paint, 32% of all dishwashers and 46% of all tool sets.

Another major undertaking by Sears in recent years (starting in 1981) has been its move into the financial world. Sears has become, in effect, a one-stop money store. The chain has brought together leaders in their respective fields--Allstate insurance, Dean Witter Reynolds stock brokerage and Coldwell Banker real estate. Sears Savings Bank (a California savings and loan association) and Greenwood Trust Co. of Delaware (a commercial bank) are two recent ventures. The operations continue to do business in their traditional offices and in central locations within Sears stores. These financial centers, representing a new channel of distribution for the member companies, are a natural outgrowth of Sears' 40 million credit card customers.

What's on the horizon for Sears? It has recently joined with IBM and CBS in a videotex enterprise that could allow home shopping, bank transactions and bill-paying through home computers. It has also made arrangements with American Satellite Co. for a voice, data and video conferencing network.

K mart

The "new" K mart places heavy emphasis on increased soft goods sales, in particular the introduction of name-brand apparel in its merchandise assortments. K mart has succeeded in getting its customers to trade up in their fashion tastes.

The chain has also implemented changes in other departments in its stores. There has been a marked growth in the installation of new houseware centers stressing bed and bath products, kitchen utensils and home electronics. Product lines of prestige cosmetics and stationery have been readjusted.

EVOLUTION OF RETAILING ORGANIZATIONS

MASS MERCHANDISERS

K mart (continued)

K mart's new store expansion has been scaled back, with the debut of only 30-35 units this year. Instead, the focus has shifted toward increasing productivity in existing outlets. Construction teams are scheduled to work throughout the year in an effort to remake most stores so they better reflect the upgraded product mix. The new layout and design in K marts will highlight stylish fashions.

K mart is increasing its effort at diversification with its Designer Depot off-price apparel stores. Initiated in 1982, there were 29 units by the end of 1983, with 30 expected to open in 1984. Their present concentration is in the Midwest. A positive response to another K mart venture--its first Accents off-price home fashions and housewares store--augurs well for future expansion in 1984. Accents offers top-of-the-line crystal, china and household accessories at competitive discount prices. In addition, K mart has spent \$300 million to acquire Waldenbooks from Carter Hawley Hale.

Like Sears, K mart is also making a push into the financial services sector. It provides a full line of life, health and accident policies through K mart Insurance Services, its wholly owned insurance company. A banking program is becoming operational now as well.

J.C. Penney

The Number 3 retailer is upscaling in a big way. It is in the midst of a \$2.5 billion modernization program scheduled to run until 1988. The end result will be a chain of trendy-looking stores that are designed to entice the "contemporary" fashion-conscious customer.

Penney is seeking a restructuring of its soft-to-hard lines ratio from 60-40 to 75-25. The new merchandise mix is featuring the much-heralded Halston III private label line. Career women are being targeted with a new apparel line supplied by Ship 'n Shore. An analyst has stated that such changes have put Penney on its way to becoming "the Bloomingdale's of middle America."

Penney is clearly taking aim at traditional department store customers with its appeal to fashion. The typical Penney customer will shop there nine times a year but patronize competitive department stores with double the frequency. Penney hopes to lure away part of this excess traffic, beginning with its \$10 million "Salute to Italy" promotion. It is to feature merchandise of Italian origin or design, including apparel, footwear and home furnishings (such as stainless steel cookware). Leading the effort is a visit by Sophia Loren and appearances by Italian chefs and artisans.

In contract to Sears, Penney's new soft line emphasis has necessitated a downscaling of its hard lines. It has discontinued its major appliance, hardware, lawn and garden, and automotive centers. Toys are being cut back. One Penney executive has attributed the decline of these departments to the primary locale of Penney's outlets--regional shopping malls. It is felt that customers in shopping malls are not as inclined to purchase such products.

EVOLUTION OF RETAILING ORGANIZATIONS

MASS MERCHANDISERS

Montgomery Ward

This troubled mass merchandising chain appears to have turned the corner after losing \$415 million from 1980 to 1982. In 1983, Ward earned \$40 million, its first profit in four years. Its write-off of bad debt last year--\$104 million--was the lowest it has incurred since 1980. There is a new momentum at the chain after years of skyrocketing operating costs and poor productivity.

Ward has revamped its merchandising strategy, focusing on brand name goods. It has upgraded its presentation to attract an upscale, quality-conscious shopper. To cite one example, Ward is now among the top five retailers of Sony television only one year after it began carrying the line.

The chain has indicated the direction of its future marketing efforts with the unveiling of prototype "stores-within-a-store." What Ward has done is to develop specialized merchandise groupings that are to be opened within existing outlets as self-contained units. The seven different product categories designated by Ward are the following: home, apparel, appliance, automotive, electronics, home care, and recreation/leisure. The premiere Ward Home Store is a 27,000 square foot selling area inside the 100,000 square foot Colorado Springs store. Its one-of-a-kind appliance center is a 6,818 square foot unit within the Winrock Center (Albuquerque) shopping mall, equipped with both a home economist for consultation and a full-service department. If these test outlets prove successful, Ward's plans call for these specialty units to be grouped together under one roof for a complete store. Some may remain as freestanding specialty stores. Ward's goal is to be equal to or better than competing small specialty stores in its markets.

F.W. Woolworth

One of the most successful chains in the country in developing specialty stores, Woolworth will continue this emphasis for the foreseeable future. It has expanded from its initial 1963 acquisition of the Kinney Shoe Corporation to encompass a collection of over 2,500 specialty stores. This format was discussed in detail in the section on specialty stores.

Related to this growth has been the chain's off-price retailing diversification. In this regard it has not done as well, with its oldest and largest off-price store--J. Brannam--reporting a net loss of \$7 million in 1983. Consisting of 38 outlets that sell brand name clothing and household linens, J. Brannam (for "Just Brand Names") is expected to be in the black very shortly. It has suffered from having occupied excess space in Woolworth's now-defunct Woolco discount stores.

Woolworth is also making a determined effort not to disregard its variety stores at the expense of other store-types. It is continuing a refurbishment of these general merchandise outlets at a rate of 10% of the 1,230 stores a year. One prototype being tested by Woolworth has been designed primarily for malls and city neighborhoods. As compared with the average Woolworth variety store, which can range up to 50,000 square feet, these outlets are no more than 20,000 square feet.

EVOLUTION OF RETAILING ORGANIZATIONS

DEPARTMENT STORES

Department stores accounted for \$116.6 billion in retail sales in 1983, corresponding to 9.9% of total retail sales.

Year	Department Store Sales Volume (in millions)	% Change	% of Total Sales
1983	\$116,658	+ 8.1%	9.9%
1982	107,863	+ 3.8	10.0
1981	103,926	+ 11.3	10.0
1980	93,345	+ 4.7	9.7
1979	89,159	+ 6.0	9.9

Source: U.S. Bureau of the Census,
Monthly Retail Sales

The battle for market share in the retailing industry has put department stores on the defensive as never before. They are facing challenges from the high end and the low end of the retailing spectrum. Overall, their share of total retail sales has held up, but this has been accomplished by adopting new marketing strategies to maintain their competitive edge.

Top Department Store Divisions

The following is a listing of the leading department store divisions, by sales volume, 1983.

Rank	Company (and headquarters)	Parent	Units	Volume (in millions)
1.	Macy's New York	R.H. Macy	17	\$1,125.0
2.	Bamberger's, New Jersey	R.H. Macy	23	1,125.0
3.	Macy's California	R.H. Macy	22	1,000.0
4.	Broadway Southern Calif.	Carter Hawley Hale	40	865.0
5.	Dillard's, Little Rock	Independent	66	847.5
6.	Bloomingdale's, New York	Federated	13	787.9
7.	Abraham & Straus, Brooklyn	Federated	15	731.8
8.	Hudson's, Detroit	Dayton Hudson	20	728.0
9.	May Co. California	May Dept. Stores	34	725.1
10.	Marshall Field, Chicago	Batus	21	700.0

Source: Stores, July 1984

Merchandise Mix

The merchandise mix within department stores has evolved over the years, reflecting a decrease in some hard goods lines even as health and beauty products have mushroomed and soft goods have remained relatively constant. The following shows sales of major merchandise lines as a percent of total store sales:

EVOLUTION OF RETAILING ORGANIZATIONS

DEPARTMENT STORES

Merchandise Mix (continued)

<u>Merchandise Lines</u>	<u>% To Total Store Sales</u>		
	<u>1982(p)</u>	<u>1977*</u>	<u>1972*</u>
Women's & girls' wear	22.9%	21.1%	23.5%
Men's & boys' wear	12.7	13.7	12.0
Drugs, health & beauty aids	6.5	3.5	1.5
Curtains, draperies, dry goods	5.0	6.1	6.9
Major household appliances	3.7	4.1	4.5
Furniture & sleep equipment	3.0	3.4	3.2

(p) preliminary

*includes leased departments

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade (Preliminary
Report)

The higher gross margins on soft goods has prompted many department stores to provide increased floor space for apparel displays by stocking wider assortments. The wider merchandise assortments at department stores is an important variable in attracting customers. With the proliferation of working women, many simply do not have the time to travel to several different stores for their desired products. Department stores offer more categories of goods and, within these categories, provide lines of greater depth and breadth. One-stop shopping, which reached its level of prominence during the gasoline shortages of the mid-1970's, is still an important consideration for women today.

An analysis of department store merchandising and operating results indicates gross margins as a percent of net retail sales for major merchandise lines:

<u>Merchandise Lines</u>	<u>Typical (Median) Gross Margins</u>	
	<u>1983</u>	<u>1976</u>
Adult female apparel	43.7%	42.5%
Adult male apparel	43.1	41.7
Infants', boys', girls' clothing	41.6	42.5
Furniture	42.1	41.8
Appliances	30.9	31.1
Domestics, draperies	41.1	40.8

Source: National Retail Merchants Association,
Merchandising & Operating Results

The growth of gross margins for adult apparel has prompted department stores such as Bloomingdale's to renovate their floor presentations with the purpose of increasing sales productivity per square foot (see section on Renovation of Existing Stores).

EVOLUTION OF RETAILING ORGANIZATIONS

DEPARTMENT STORES

Merchandise Mix (continued)

The strong economy has encouraged stores to beef up stocks and be more fashion-forward, which, in turn, has led to more markdowns. Having an edge over the competition in merchandise mix has prompted the so-called Battle-For-Los Angeles among four department store giants in Southern California. Competition between the four has intensified in the last year as price-cutting to stimulate sales is as prevalent as during recessionary times. They have each attempted to broaden their merchandise assortments in key classifications to capitalize on the improved economy.

The Broadway, a division of Carter Hawley Hale, led the others in 1983 with a 19% comparable-store sales increase. Market share gains have come in sportswear, intimate apparel, shoes and parts of the home store. In targeting the "emerging 30s" customer, The Broadway has stocked more trendy and better-price women's apparel from such designers as Norma Kamali and Anne Klein.

J.W. Robinson, an Associated Dry Goods division, has seen its market share eroded by the upscaling at The Broadway. It has countered with a strong emphasis on home textiles, children's wear, and cosmetics. It staged the most successful fragrance launch in many years in Southern California by introducing Giorgio in February 1984.

Additional competition is provided by Bullock's, a division of Federated Department Stores. The chain has reallocated space in its stores, giving more square footage to contemporary, bridge and designer sportswear. Merchandise by upscale designers such as Perry Ellis has been well-received.

While The Broadway, J.W. Robinson and Bullock's appeal to the upper-moderate customer, May Co. is targeting the budget and moderate-price customer. This division of May Department Stores Co. has placed a premium on high turnover and promotion. Rather than the above three department stores, it is competing for the same market as Mervyn's, the value-oriented discount division of Dayton Hudson.

Expansion of Services

Another major undertaking by department stores is the channeling of cash flow back into their present outlets. The goal is to increase productivity by giving more service to customers. Service is perhaps the key difference between department stores and other store-types such as the off-pricers.

Department stores are also capitalizing on their ability to be among the quickest at spotting fashion trends. More and more outlets have opened designer boutiques to compete with specialty stores. With half of the female population in the workforce, they, as well as males, are spending more on clothing than ever before. Apparel, as noted previously, accounts for the majority of department store sales.

Stores, such as Carson Pirie Scott, are courting customers with complimentary services like never before. This Chicago-based chain provides shopping-at-home, travel planning and wedding consultations. Its Executive Delivery Service makes it perhaps the only retailer in the nation to deliver merchandise within 24 hours to downtown offices at no charge.

EVOLUTION OF RETAILING ORGANIZATIONS

DEPARTMENT STORES

Expansion of Services (continued)

Many department stores are making a major effort to expand store hours, including Sundays, after past cutbacks. Customer surveys are becoming a more frequently used research tool to ascertain attitudes toward such service areas as cleanliness, fashionability and quality. There is also a growth in the number of customer-oriented programs geared to store personnel, led by Gimbel's CARE. The program, which stands for Customers Are Really Everything, consists of pep talks, committees and seminars all designed to galvanize salespeople into making that extra transaction.

And then there are a series of innovative services offered by retailers made viable by the expanded use of computers. Rich's (an Atlanta division of Federated) now leases automobiles, even arranging the financing. Woodward & Lothrop has entered the apartment-hunting business in the Washington, D.C. area. The cost to customers for this service: free.

Expansion of Stores and Selling Areas

Rapid expansion of department stores is a thing of the past as most department store companies allocate substantially higher percentages of their capital spending to specialty and discount operations. Department stores continue to be downsized and the pace of new store openings has slowed.

Nevertheless, there are several changes in department store selling that are notable, particularly in the areas of suburbanization, the revitalization of downtown, renovations within existing outlets and nationalization.

To varying degrees, these forces are affecting the operations of all types of large-scale retailers, not only department stores. The developments discussed below in relation to department stores, therefore, apply to the retail picture in general.

Suburbanization

Though department store volume, as a group, is still concentrated in the top 10 metro markets, the mass merchandisers are considerably more dispersed. No single metro market represents as much as 5% of total sales to Sears, K mart, J.C. Penney or Woolworth. Macy's, in contrast, generates 20% of sales from its most important market, New York.

Branch store development in the suburbs of the major cities is still growing, although the pace has slowed for many operators. Burdines, a Federated division, has opened 25 department stores in Florida. Its expansion program in 1984 will result in the debut of stores in Gainesville, Coral Springs and Coconut Grove. This commitment to branch openings by Burdines beyond its Miami base is illustrative of department store attempts to saturate their markets.

Revitalization of Downtown

When called upon to picture what the typical mall looks like, images of stores in a suburban location come to mind. The shopping mall, however, is going urban.

EVOLUTION OF RETAILING ORGANIZATIONS

DEPARTMENT STORES

Revitalization of Downtown (continued)

In other words, the demise of downtown is, at least, postponed. Most major metropolitan areas now have, or are working on, their entries: Herald Center and the South Street Seaport in New York; Grand Avenue in Milwaukee; Water Tower Place in Chicago; Faneuil Hall Marketplace in Boston; and Harborplace in Baltimore, to name a few. Blighted areas are being put to commercial use like never before.

Tenants in these urban shopping centers are selected on the basis of their merchandising and marketing styles. The goal is to create a special ambience for the upscale residents, tourists and local white-collar workers who frequent them. These high grossing stores are generally housed in a mall of unique construction and supplemented by a festive atmosphere. There are art and floral shows, singers, jugglers and the like, all designed to distinguish the mall from traditional suburban shopping centers. Whereas the suburban malls draw patrons from the immediate vicinity, their urban counterparts have a significantly broader range, attracting people from 50 to 100 miles away.

The proliferation of urban shopping centers, and vertical malls, like Water Tower Place in Chicago, in conjunction with the development of office complexes, hotels, residential buildings and convention centers around the nation, are helping to make the rebirth of the American city a reality.

Renovation of Existing Stores

Department stores, despite the channeling of their expansion dollars into other store-types, continue to invest in the renovation and expansion of existing outlets. The principal goal is to increase sales productivity per square foot.

Bloomingdale's, for example, is not opening a branch in 1985, as in past years, so that it can remodel its flagship. Its three-year renovation could cost more than \$22 million as 35,000-40,000 additional square feet of selling space will be added to the nearly 500,000 square feet currently in use. Each floor will be given a more sharply defined identity including the construction of designer boutiques.

One major distinction between department stores and other outlets is the upscale decor in many department stores. Though off-price stores may not be the piperack operations that they once were, most just simply cannot compete with department stores in terms of atmosphere. And atmosphere, whether consumers realize it consciously or not, is significant in establishing an environment that is conducive to selling. Many consumers will pay somewhat inflated prices if a store has fancy lighting, displays, etc.

Nationalization of Department Stores

The differential in growth rates from one locale to another means the transfer of markets. It has been projected that economic growth in the 1980's will be of a magnitude that allows for an average of one new regional shopping center in every metropolitan area in the country. The shift of industry and population to the Sunbelt means that it can sustain several centers while the areas the population has drained from won't be able to support any.

EVOLUTION OF RETAILING ORGANIZATIONS

DEPARTMENT STORES

Nationalization of Department Stores (continued)

The end result of this has been the expansion of department store chains well beyond their traditional trading areas, in effect creating national chains. Bloomingdale's, for one, is attempting to become America's national lifestyle store. The New York City-based retailer opened a Miami unit in 1984. A Dallas unit was opened a year earlier. A New Orleans store is scheduled for 1986 and Los Angeles has been designated as a future target.

Another major department store that is going national is May. The St. Louis-based firm has budgeted \$300 million to open 22 new department stores as part of its five year program, to end in 1987. Units are to be built in California, Washington, D.C., Baltimore, Denver and St. Louis.

Macy's, Lord & Taylor and Saks Fifth Avenue are among the other major retailers rapidly expanding their operations beyond their traditional or original trading areas.

Diversification

To counteract strong competition on all sides from off-price retailers, discounters and traditional retailers, department store operators are expanding into other areas of retailing. The message they have received is, in effect, "if you can't beat 'em, join 'em".

A major strategy in this diversification is the opening of apparel specialty stores. These outlets, if managed properly (and the department store operators provide a good deal of merchandising know-how to them), offer prime opportunities for substantial returns-on-investment. Federated, the nation's largest department store chain, now has a representative in the fast-growing children's apparel field--The Children's Place. Batus, well-known for such department stores as Marshall Field and Gimbels, also operates Saks Fifth Avenue. Allied acquired Bonwit Teller and Brooks Brothers, while Carter Hawley Hale operates what is perhaps the most "special" specialty store of all--Neiman-Marcus.

As cited previously, several major retailers have purchased off-price retailing chains, particularly to protect their women's and children's operations (60% of their profits). These outlets, such as Associated Dry Goods' Loehmann's, help support the department stores' bottom line with high sales volume per square foot. The staying power of off-price has made it necessary for such acquisitions, with department stores otherwise conceding a considerable share of the market.

Discount stores are not exempt from department store acquisitions, either. The leading upscale discount chain in America--Target--is owned by Dayton Hudson, a name synonymous with department store operation. May Department Stores' 1978 purchase of Volume Shoe--the nation's largest chain of self-service family shoe stores--is yet another example of this trend. In fact, only Macy's among department stores has been able to improve its market share position significantly through increased productivity solely within the department store concept. Though Macy's has, like other department stores, invested in free-standing home stores (furniture, electronics, appliances), its outlets are more for logistical purposes rather than an effort at diversification.

EVOLUTION OF RETAILING ORGANIZATIONS

SPECIALTY STORES

With the proliferation of specialists in most facets of society, it is no great surprise that this has extended into the retailing industry. Today one can go to a mall and find stores devoted to an exceedingly wide range of interests. Patronage at these outlets is fueled by the nation's baby boom, an entire generation of consumers that grew up with mall shopping.

Since profit margins, return-on-investment and expansion opportunities are usually greater in specialty retailing than in general merchandise stores, many small proprietors as well as the industry giants have tried to find the right fit for themselves. Their attempts to locate in malls are generally well received as mall developers seek the high productivity levels that specialty stores provide. Others are converting the sites of past general merchandise store locations (e.g., Korvettes, Woolco) to their own use. Still others are searching for excess space in oversized stores.

Despite the growing number of retail operators eager to acquire specialty stores, some large supermarket chains are going against the trend by divesting themselves of specialty store operations. Lucky Stores, the third largest supermarket chain in the nation, recently sold its apparel specialty stores--Pic-A-Dilly and It's-A-Dilly to The Limited, Inc. Stop & Shop Cos. sold Off-The-Rax, its women's specialty chain to Dress Barn. Still another example is the sale by Super Valu of its women's apparel chain--County Seat (estimated 1984 volume \$200 million)--to Carson Pirie Scott.

One reason for the trading-up of department stores into specialty lines has been their desire to solidify their position with middle-to-upper income consumers. This points out the fact that while department stores have the traffic of the masses, many are seeking those at higher income levels. Specialty stores, with their narrower, deeper assortments at moderate-to-better prices depend on this clientele.

Top Specialty Chains

The following is a listing of the leading specialty chains, by sales volume, in 1983.

<u>Rank</u>	<u>Company (and headquarters)</u>	<u>Parent</u>	<u>Type</u>	<u>Units</u>	<u>Volume (in millions)</u>
1.	Radio Shack, Fort Worth	Tandy	Consumer Electronics	4,584	\$1,961
2.	Mervyn's, Haywood, Calif.	Dayton Hudson	Apparel	109	1,689
3.	Toys "R" Us, Roselle Park, N.J.	Independent	Toys	169	1,320
4.	Marshall's, Woburn, Mass.	Melville	Off-price Apparel	174	1,062
5.	Saks Fifth Avenue, New York	Batus	Apparel	38	810
6.	Nordstrom, Seattle	Independent	Apparel & shoe	37	788

(continued)

EVOLUTION OF RETAILING ORGANIZATIONS

SPECIALTY STORES

Top Specialty Chains (continued)

<u>Rank</u>	<u>Company (and headquarters)</u>	<u>Parent</u>	<u>Type</u>	<u>Units</u>	<u>Volume (in millions)</u>
7.	Lerner's, New York	Rapid American	Apparel	796	699
8.	Levitz, Miami	Independent	Furniture	89	644
9.	Petrie Stores, Secaucus, N.J.	Independent	Apparel	953	626
10.	Kinney Shoe, New York	Woolworth	Shoe	1,557	617

Source: Stores, August 1984

Of the major retailers that are investing in specialty stores, the goal of many seems to be an attempt to satisfy an array of consumer needs by operating several different chains of specialty stores. To cite one example of this, consider the specialty outlets owned by the U.S. Shoe Corporation:

<u>Name of Division</u>	<u>Type of Merchandise</u>
Casual Corner.....	women's medium-to-better grade apparel
Ups 'n Downs.....	junior sportswear for teenage girls
Caren Charles.....	updated, medium-priced apparel in misses sizes, ages 25 to 50
August Max.....	elegantly displayed, more sophisticated apparel
Petite Sophisticate.....	clothing in the petite size range (women under 5'4")
J. Riggings.....	a broad range of updated clothing for young men
Proving Ground.....	junior sportswear for teenage boys
Little Folks Shops.....	apparel for infants to pre-teens
Home Front.....	brand name home furnishings, including towels and bedspreads

Source: The U.S. Shoe Corporation Annual Report, 1983

The Limited, Inc. has recently acquired the apparel specialty stores, Pic-A-Dilly and It's-A-Dilly from Lucky Stores, Inc. The Limited is the largest operator of women's apparel specialty chains and has a volume well over \$1 billion.

Woolworth is another key retailer diversifying through various specialty store formats. At present, the seventh-ranked chain in dollar volume has a product mix of 71% general merchandise sales and 29% specialty store sales. Woolworth has projected a large specialty store gain for itself by 1988, bringing its mix to 66% and 34%, respectively. It also estimates that by '88, the greater share of its operating income (55%) will be generated by specialty stores (as compared with only 41% today).

The major specialty chain owned by Woolworth is Kinney Shoe, the nation's largest specialty and family footwear retailer, with 1,557 outlets at the beginning of 1984. Some other Woolworth properties are Richman Brothers, promotionally-oriented men's stores; Lady Foot Locker, offering coordinated outfits for active women; and Holtzman's Little Folk Shop, a large children's apparel chain in a major growth segment of the marketplace.

EVOLUTION OF RETAILING ORGANIZATIONS

SPECIALTY STORES

Predictions that home-area sales will outperform apparel over the next decade have fostered the development of numerous home goods specialty chains stocking such essentials as housewares, textiles and tabletop goods. Sears and K mart have been required to upgrade their own home store assortments and displays to counter this trend. The mass merchandisers are likewise making a major effort to improve their share of the home computer market by drawing sales from computer specialty stores.

Designer Boutiques

Another trend in the area of specialty retailing is the penchant of many leading fashion designers to open their own boutiques. Already common in Japan and Europe, they are gaining increasing acceptance in the United States from consumers who prefer to buy their designer goods in these outlets rather than department stores.

Designers, among them Ralph Lauren and Giorgio Armani, are free to create the atmosphere in their boutiques that they feel will be most conducive to promoting their merchandise. Designers can control the display of their designs without conflict from a department store's private label goods. They are better positioning themselves to attract the upscale consumers who might be overwhelmed by the huge quantity of designer merchandise in a traditional retail store. Many consumers clearly prefer the opportunity to view their favorite designers' collections without distraction.

In bypassing the middleman in the distribution of their products, designers find opening their own boutiques to be profitable undertakings. Ralph Lauren anticipates sales of more than \$10 million (\$500 per square foot) from his new "retail showcase" in New York City. Scheduled to open by the end of 1985, it will feature all his licensed products in a store interior that he will personally design.

The newness of these operations has, thus far, prevented a major conflict with department stores. Some department store operators even contend that the increased awareness of designer lines created by the boutiques helps sales in their own stores. Ralph Lauren, whose New York accounts include Bloomingdale's, Macy's and Lord & Taylor among others, feels that his new shop will only "enhance the business for the stores" in the same trading area. With more and more designers opening their own boutiques, however, the market could eventually become oversaturated.

Specialty Stores for Working Women

In response to the vast growth of women in the workforce, a network of truly specialized outlets catering to the needs of women executives have begun service in the past few years. Found in most major cities, these stores are run by both independent proprietors and the large chains.

These stores place a premium on both time and service, recognizing that both are precious commodities to their upscale clientele. Among the benefits offered: individual and corporate wardrobe counseling; long and flexible store hours; phones in the dressing rooms; extensive computerized files on customers, including taste and manufacturer preferences as well as purchase records; in-store seminars and luncheons featuring top women executives. This phenomenon, though relatively new, has a good deal of momentum behind it and will expand as women continue to make gains in the corporate world.

EVOLUTION OF RETAILING ORGANIZATIONS

DISCOUNT STORES

The emergence of a new, more upscale breed of discount store is altering the retailing landscape. Discounters are repositioning themselves to reach a more affluent clientele. The goal is to reduce their dependence on low-income consumers whose discretionary spending is shrinking. With better quality merchandise, they hope to capitalize on a market with "higher taste levels than their incomes can support." Though these more stylish discount stores may lack the sophistication of upscale specialty stores, they are a considerable improvement from the piperack operations of the early discounters.

Discounters have taken note of consumer insistence on quality. The stores are upgrading their merchandise by stocking new lines of brand name apparel and by increasing the development of their own private label goods. They are attracting the "destined-to-be middle to upper income customer" that, in the past, has shopped in department store bargain basements.

Repositioning by the discounters appears to have had a positive effect on the industry. Retail sales from the 8,593 discount stores increased to \$56.1 billion in 1983, a gain of 10.2% over the previous year, according to The Discount Merchandiser. (This includes K mart.) Among those generating and benefiting from this growth is Wal-Mart, whose compound sales growth rate of 39% for the past five years has made it one of the fastest growing retailers in the nation. The chain added 91 discount stores in 1983, 43 of them occupying former Woolco sites. Extra space has been allocated to apparel departments in the new outlets, taking advantage of the higher gross margins provided by soft goods.

Another leading discounter is Target, a division of Dayton Hudson. This chain has a distinct appeal to young, upscale families with active lifestyles. With this audience in mind, Target entered the Southern California market in 1983. The favorable response to this move helped boost Target sales by 29.3%, increasing productivity to \$172 per square foot.

Caldor, Associated Dry Good's discount division, passed the \$1 billion mark in sales in 1983. Located primarily in the Northeast, this chain maintains a policy of only stocking branded and first-quality merchandise, never closeouts or irregulars. Caldor has continued to add soft goods lines since first carrying them in the mid-1960's, to the point where they now constitute 30% of the merchandise mix. Caldor has held onto its affluent clientele, initially suburban New Yorkers, by upgrading its apparel lines, particularly with its Marc Robbins private label. Caldor, together with A.D.G.'s other recent acquisition--off-price Loehmann's--contributed 35% of the corporation's total sales volume and 27.5% of profits.

OFF-PRICE RETAILERS

Off-price retailers sell merchandise, including status or premium labels, at less than regular prices, made possible by buying from suppliers at cut-rate prices, limiting costs and turning stock quickly. The merchandise might be obtained from manufacturers in end-of-season liquidations of surplus merchandise; however, to an increasing extent in-season merchandise is being made available by vendors to off-price retailers when inventories are too large. (Discounters, on the other

EVOLUTION OF RETAILING ORGANIZATIONS

OFF-PRICE RETAILERS

hand, usually pay the same price for merchandise as everyone else and sell for less than the traditional retailers by doing a large volume and cutting back on services and other costs.)

By eliminating operating costs wherever possible--tight credit, no alteration service, little advertising of specific products--the off-pricers keep their expenses to a minimum. Staying clear of enclosed mall locations limits overhead for heating, air conditioning, etc.

The merchandise itself is generally "advantageously priced" by the manufacturers for the off-pricers. It consists of off-season goods, overruns, closeouts and irregulars. The purchases are frequently by cash and on very short notice. Since the goods provided are not usually in a broad or balanced range of sizes and colors, consumers must accept drastic inventory changes from week to week. Many consumers perceive this as a challenge rather than an obstacle in buying their merchandise.

It is imperative that off-pricers maintain a steady supply of goods or suffer the consequences. Dayton Hudson's Plum's chain, opened in March 1983 to much fanfare, was unable to assure a constant flow of the upscale merchandise it promoted. Plum's was sold after one year of operation to Ross Stores. Many off-pricers try to avoid similar situations by warehousing late-season purchases until the following year. Others have become aggressive in approaching manufacturers for current goods, with Marshalls going so far as to request made-to-order shipments. Marshalls now has its own private label merchandise and does a fair amount of importing to guarantee reliability.

Manufacturers, for the most part, support the efforts of the off-pricers. Department stores, in recent years, have been seeking many concessions from manufacturers that have been leaving them with more and more problems related to unsold merchandise and unpaid invoices. Unlike department stores, the off-pricers request few perks such as return privileges, extended payment terms, advertising support and markdown protection. Off-pricers enable manufacturers to adjust inventory and improve their cash flows.

It is essential for off-pricers to be sensitive to the needs of their suppliers if they hope to maintain a steady distribution network. Many off-pricers follow the lead pioneered by Marshalls in controlling the placement of merchandise. In essence, if a given manufacturer has a strong relationship with a traditional retailer in the same area as an off-price outlet, the off-pricer will refrain from stocking that brand of merchandise in a competing store. This prevents retailers from demanding that the manufacturer choose to supply either one or the other. The manufacturer, relieved of this problem, is more receptive to supply the off-pricer in other markets.

Some manufacturers, though a distinct minority, refuse to deal with off-pricers. A few have their own factory outlets for excess inventory while others don't want to do anything that may upset their standard distribution channels. The ability of off-pricers to acquire a particular brand they desire through third parties has further weakened the reluctance of manufacturers to deal with them.

EVOLUTION OF RETAILING ORGANIZATIONS

OFF-PRICE RETAILERS

The establishment and expansion of off-price outlets enables consumers to purchase national brands and designer merchandise at 20% to 60% below, or "off", traditional retailers' full markup prices. Such deep discounts on this merchandise have attracted a broad-based clientele and the market is far from being saturated.

Off-price retailing is currently a \$7 billion industry, with its primary emphasis on apparel and footwear sales. Between 1979 and 1983, this format registered an annual compounded growth rate of 23.1%. Analysts expect a slight deceleration in growth to about 15% per year for the remainder of the 1980's. This would make the off-price sector a \$25 billion network. Its share of the retail market is projected to expand from its present 6% to as high as 20%. Off-price doesn't appear to be creating more sales, it is just distributing the dollars differently. The off-price retailer buys goods directly from manufacturers to a greater degree than discounters, but is able to operate profitably with a lower markup than traditional retailers due to the lack of services offered to the customer.

Today there are some 10,000 stores nationwide selling off-price merchandise. Evidence of the health of the industry lies in the fact that many of the largest off-price operations are owned and operated by major retailers.

<u>Off Price Chain</u>	<u>Parent Company</u>
Marshalls	Melville Corp.
T.J. Maxx	Zayre Corp.
Loehmann's	Associated Dry Goods
Hit or Miss	Zayre Corp.
Filene's Basement	Federated
T.H. Mandy	U.S. Shoe
J. Brannan	Woolworth

The off-pricers have developed a secure niche for themselves in the marketplace and the major retailers recognize this. Associated Dry Goods, with its prior emphasis on department store acquisitions (Lord & Taylor, J.W. Robinson), was willing to spend \$96 million to purchase Loehmann's from private investors in May 1983. By yearend, Loehmann's was operating 67 stores in 25 states with sales in excess of \$300 million. It is now the country's largest off-pricer of high-quality women's apparel.

Another major success story is that of Marshalls, the largest off-price retailer with expected sales this year of \$1.1 billion, up from \$830 million last year. There are 175 Marshalls across the U.S. and the company is planning to end 1984 with 210 outlets. A typical Marshalls has 30,000 square feet of men's and women's wear, children's apparel, lingerie, footwear and giftware. The majority of its stores are in strip centers, seeking to attract the traditional mall customer. A few of its stores are freestanding and some are in shopping centers though Marshalls' search for low-rent locations usually prohibits this. The chain is Melville's largest contributor to both sales and profits.

EVOLUTION OF RETAILING ORGANIZATIONS

FACTORY OUTLETS

Those manufacturers choosing to open their own factory outlets do so with the primary intent of preventing off-price retailers from totally dominating the merchandising of excess inventory and seconds. Some manufacturers fear that, if unchecked, the off-pricers will disrupt regular distribution channels. Factory outlets eliminate many problems in this regard. With strict control on selling lines, they are less likely to end up interfering with long-standing accounts.

Manufacturers have joined together in creating upscale outlet malls attracting an affluent clientele by featuring such labels as Anne Klein and Evan Picone. Manufacturers have discovered that their factory stores "don't have to be the side door to a plant." These outlets will continue to squeeze off-pricers at the high end. As of June 1984, there were 35 factory outlet malls on the East Coast and in the Midwest in excess of 150,000 square feet. Plans call for the development of at least 40 or more of that scope.

One new addition is The Outlet Mall of New England which opened its first two wings in late 1984. Total mall space will be 240,000 square feet and it is expected to attract 50,000 shoppers per week to its Portsmouth, New Hampshire locale. Among the tenants are Amherst Sportswear, American Tourister, Executive Neckwear and Bert Paley.

SUPERMARKETS/HYPERMARKETS

The nation's premier European-style hypermarket made its debut in Cincinnati on October 16, 1984. The store, called Bigg's, is a combination supermarket and discount store. Both food and non-food products--including apparel, televisions, and some furniture--are sold through conventional checkout lanes (40 of them).

This low cost, high volume operation is a joint venture of Euromarche, a successful French hypermarket chain, and Super Valu, the Minneapolis-based supermarket chain. The hypermarket concept has been an established retailing format in Europe for several years. Bigg's was developed on a single selling floor encompassing 180,000 square feet. Its highly decentralized management system and the absence of such frills as coupons combine to produce everyday low prices. The store's policy is to charge consistently lower prices than the local Kroger and Federated units.

The success or failure of this initial outlet will have a strong impact on the future of hypermarket expansion in the United States. Both the present project team and other French and Belgian hypermarket operators will be looking for clues from the Cincinnati experiment. Whether the 18,000 customers that streamed through Bigg's on its first two days of business will return--or were just satisfying their curiosity--remains to be seen.

EVOLUTION OF RETAILING ORGANIZATIONS

SUPERMARKETS/HYPERMARKETS

The appearance of the nation's first hypermarket continues a trend begun in the early 1980's toward combining supermarkets and discount outlets. These combination supermarkets unite low-margin general merchandise/drug departments with food departments under one roof and through the same checkouts.

The synergistic attraction of the combos is evident as outlets such as Jewel have benefited from more volume when opening combo stores than from opening separate supermarket and general merchandise stores. Consumers are generally receptive to the opportunity for one-stop shopping as the store traffic generated by the food operation in combos fuels non-food sales. A key consideration in the success of combos is their proximity to other general merchandise outlets. In New England, for example, the consumer has so many nearby shopping alternatives that a super-market may not be fulfilling a need by offering general merchandise within the store.

The concept of one-stop shopping in supermarkets is clearly a growing phenomenon. Shoppers at a branch of Safeway (the largest food chain) in Seattle can now purchase personal computers as well as apparel and hard goods. Though the number of combination supermarkets is still relatively low, most of the food store giants are developing prototype combos, some of which are too small to handle the enthusiastic responses they receive from consumers.

CATALOG SELLING

In 1984, some 6,500 different catalogs will be mailed, generating an expected \$44 billion in sales volume. Annual growth of catalog dollar volume in the 1980's has been about 15%, significantly better than that for store outlets.

The trend in catalog selling is toward catalogs aimed at reaching an increasingly segmented marketplace. Armed with demographic data facilitated by in-house computers, or national consumer tracking services, mail order sellers can quickly determine what sells and where. They can discern what types of households will be most responsive to a given catalog, thus increasing productivity. And it is this combination of low overhead and high returns that has made catalog retailing the highly profitable venture that it is. There is no high rent to pay, start-up costs are low and profit margins, for many, are double what could be achieved through traditional retailing.

According to on-going studies by Milliken & Co., a major segment of the population targeted by mail order companies is the working woman. The female civilian labor force of 47.8 million is a diverse group, but one characteristic applicable to many of these women is the considerably less time that they now have for shopping. This group has also contributed to the number of newly affluent two-income households. These women, who tend to be educated, urban and married, have found that they can still comparison shop by comparing one catalog's merchandise with another.

Single men follow working women as the second largest category of shoppers. Divorced men are particularly attracted by the ease of catalog shopping. They, in turn, are followed by the wives of men with professional occupations. Many of these women may have the time to shop in stores but prefer to avoid the long lines and parking difficulties encountered.

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CATALOG SELLING

Catalogs are an efficient marketing tool employed by stores either to help or to take the place of national expansion. Bloomingdale's, for one, feels that its catalogs act as "an extension of the retail store but on a national scale." The catalogs help build a customer base in markets that may eventually support stores. They operate as a form of testing to determine the buying potential of various areas. And even if Bloomingdale's were to then refrain from building a new store in a given area, the catalogs will have done their job by perpetuating the chain's name and image. Its catalog sales figures show a phenomenal rise of nearly 200% from 1982 to 1983 (\$11 million to \$30 million).

Another catalog success story that symbolizes the changing nature of the industry is that of Spiegel. This catalog giant (projected 1984 sales: \$640 million) began as a company that targeted low-income consumers, offering them credit that other firms would not. The rapid growth of upper-income households, coinciding with the rise of working women, prompted Spiegel to change its image to one representing fashion and style. Lines of such hard goods as automobile tires were discontinued in favor of designer apparel and quality home furnishings. Its institution of toll-free order numbers, UPS delivery, and more aesthetically pleasing catalogs have gone a long way to insure Spiegel a strong foothold in the marketplace.

In 1983, catalogs provided Sears with more than 20% of its general merchandise sales. The more than 40 catalogs that Sears distributes each year--and the telephone--still work so effectively together that the largest retailer has, thus far, limited its reliance on electronic shopping technology. More than 90% of the catalog merchandise ordered by telephone is picked up by consumers at Sears outlets. This increased store traffic is yet another benefit that catalogs can provide.

There are a few negative aspects of catalog sales that limit them from an even greater degree of consumer acceptance. One is the desire of many shoppers to compare merchandise in person, being able to actually see and touch the products, particularly apparel. While some will spend \$75,000 for a fur coat from the Neiman-Marcus catalog, others prefer more evidence than just a picture. Another problem inherent with catalogs is that of returns. Unless the merchandise is picked up at the stores it will have to be rewrapped and mailed back.

CATALOG SHOWROOMS

The concept of catalog showrooms won immediate acceptance from consumers with their introduction in the late 1960's. Their then novel approach to retailing consisted of once- or twice-a-year catalogs listing thousands of mostly name-brand products and warehouse-type outlets. Consumers simply drove to the stores, filled out order forms and took possession of their merchandise. With overhead only half that of traditional department stores, the catalogers were able to undercut competing retailers. The mixture of high quality jewelry, cameras and appliances at low prices contributed to 30% annual gains in sales volume through much of the 1970's.

The recession of the late 1970's had a severe impact on the industry. While other retailers resorted to heavy price reductions to maintain their market share, the catalogers lacked this flexibility by printing prices in their catalogs months in

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CATALOG SHOWROOMS

advance. High interest rates diminished earnings as catalogers, who traditionally register 50% of sales and 90% of profits in the fourth (Christmas) quarter, must borrow to finance inventory earlier in the year.

As a result, the industry's marginal outlets were closed and some operators were forced to declare bankruptcy. The survivors are dominated by five firms which account for 60% of sales: Best Products with \$2.4 billion volume; Service Merchandise, \$1.5 billion; H.J. Wilson, \$530 million; Consumers Distributing, \$400 million; and Ardan, \$320 million. In 1982, Best acquired third-ranked Modern Merchandising and Basco. Service purchased bankrupt Sam Solomon.

A major trend in the 1980's is the upscaling of catalog showrooms. The outlets, which average 27,000 square feet, now devote more than 40% of their area for display purposes, a big difference from the days when merchandise was stored in factory-packed cartons in warehouses. The warehouses are still attached to the sales floor but the emphasis is on decor. The modern architecture of Wilson showrooms, for example, has been likened to that of Marshall Field and Filene's. Others have taken to marketing themselves to shopping malls as potential anchors, a challenge to a mass merchandiser such as Sears.

Catalog showrooms have also altered their merchandise selections to better reflect the realities of the marketplace. They are stocking more luxury items and trendier goods. There is a shift away from traditional hardgoods into domestics (sheets, towels, linens). Home computers and upgraded giftware are two particular areas of emphasis as the catalogers begin to make use of television advertising. They have become more aggressive in approaching suppliers about innovative, unproven items rather than just accepting lines that are proven winners as in the past.

The proliferation of jewelry and luxury items in catalog showrooms has prompted some operators to compare themselves to Fortunoff's upscale specialty store. This is a major repositioning of the showrooms away from their original concept of pipe-rack discounting. The warehouse clubs of today are considered the catalog showrooms of yesterday as the void left by the upscaling of the showrooms did not stay unfilled for long.

WAREHOUSE CLUBS

Warehouse clubs are cash-and-carry businesses that offer their members brand name merchandise at a markup of as little as 10%. They operate on the lowest gross margins in the retailing industry. Warehouse clubs account for less than \$5 billion a year in sales according to David Yunich, the former vice chairman of R.H. Macy and now a consultant.

Most clubs have two types of membership. Retailers and other small businesses are called wholesale members. They are required to pay a \$25 annual membership fee. Individuals, including government employees and members of credit unions, are called group members. They are not charged a fee but pay an additional 5% above the clubs' 10% markup. Retailers that don't have sufficient volume to be served by traditional wholesalers are particularly attracted to the outlets as are con-

EVOLUTION OF RETAILING ORGANIZATIONS

WAREHOUSE CLUBS

sumers who enjoy the psychological impact of buying merchandise right alongside the wholesale members.

Whereas a department store might sell 10 or 12 items five times a year, the clubs turn one or two items 12 to 18 times a year. In other words, warehouse clubs may have only 3,500 stock-keeping units while a typical retail store may have 30,000. The clubs offer a wide range of products but little choice within each category. The key ingredient is the ability of the clubs to select the fast-selling items in the various categories. By keeping the merchandise limited, there is little margin for error. To maintain low operating costs, overhead and customer services are kept to a minimum.

Although warehouse clubs shift brand preferences frequently depending upon consumer demand, most keep the composition of the merchandise mix the same. At Price Club, for example, sundries constitute 28% of sales, followed by food with 22%, appliances and housewares, 20%, hard lines, 16%, soft goods, 7% and liquor, 7%. The relatively quick turnover of hard goods versus soft goods means that club business will continue to depend on nationally branded staples in housewares that require little consumer education, offered in self-selling packaging and bulk packs.

Warehouse clubs first hit the retailing landscape in 1976 when an entrepreneur named Sol Price opened his Price Club outlet in San Diego. In the intervening eight years more than a dozen units were opened throughout California and Arizona with the first East Coast store--in Richmond, Virginia--being added in 1984. Sales jumped 72.9% last year to \$633 million, a 34% store-for-store increase.

Enticed by such phenomenal growth, some of the biggest names in the retailing industry are now getting into wholesale clubs: Wal-Mart, the \$4 billion discount chain based in Bentonville, Arkansas, hopes to have 11 units known as Sam's Warehouse Club by the end of 1985, mostly in the South and Southwest; Zayre Corp., the Massachusetts-based discounter and off-price retailer is beginning its warehouse operation by investing up to \$4 million in opening two New England outlets this year; and W.R. Grace, the New York-based conglomerate acquired a 50% interest in Chicago's Warehouse Club in 1983, the club founded by a former vice chairman of K mart.

The appeal of these clubs to their price-conscious member customers is cutting into sales of traditional retailers. However, since warehouse clubs carry merchandise sold by discounters, department stores, supermarkets, home improvement centers and drug stores, they are not a major threat to any one form of retailing. Discounters appear to be the most vulnerable since they fall well behind on price points for nationally branded items.

Born in recessionary times, the clubs must prove that they are a viable entity in a strong economy. They must also show that their appeal extends to major urban areas.

DEVELOPING MERCHANDISING TECHNIQUES

In U.S. retailing today, the name of the game is clearly NAMES--be they national brand, designer, celebrity or private label--merchandised within a framework of a distinctive store-name identity--and ideally building a solid loyal customer base. But the moves and rules in this game are constantly changing and evolving, and no name is safe from competing forces in the marketplace for very long.

In the face of less-than-robust consumer demand in many areas, retailers are encountering growing competition from a proliferation of products which are very similar, targeted to the same customers, and sold by an ever-expanding store population--growing to the point of over-storing in many trading areas.

Fast-changing fads and fashions, and the ever-present specter of price cutting, have made retailing an increasingly complex business in recent years, and many new merchandising techniques are being developed and refined. As never before, retailers have to be flexible and fast in changing their emphasis from one "Name" product to another and in changing their promotional strategies to hang on to market share or, if necessary, to build a new niche. To an increasing extent, small independents on their own do not have the resources to stay in the game.

FRANCHISING

The simplest move for a smaller retailer in the name game is to become a franchisee--obtaining from a franchisor (manufacturer or other vendor) the right to sell a product or service which has been tested in the marketplace and has already established a high degree of consumer acceptance, without a large capital outlay on the part of the retailer.

In return for payment of a lump sum (which can vary from \$1,000 to over \$1 million, depending on the product, location, consumer acceptance, etc.) plus continuing royalty payments based on a percentage of monthly sales, the franchisor provides its name for a product, guidance on marketing and management, sets standards and may conduct national advertising. With this backing, small store franchisees can offer special services that department stores do not provide and in some lines--athletic footwear, convenience foods, bath shops--small operations have mushroomed into sizeable retail chains. The concept has spread in every area where an opportunity seems to exist to fill a void in the market, created as larger retailers cut back on services or drop lines which require special handling.

Sales of goods and services by all franchising companies should approach \$457 billion by the end of 1984, according to the U.S. Department of Commerce. Retail sales of all firms associated with the franchise system should reach \$401 billion. The failure rate is low, according to the Commerce Department. Only 4% of all franchises were discontinued in 1983. By the end of 1984, the number of establishments associated with the franchise business is expected to total 462,000 and to employ some 5.2 million workers.

The franchisee, while essentially an independent retailer, must agree to follow guidelines and restrictions established by the franchisor. These are sometimes found too constricting and holders of franchises are in those cases forming associations to strengthen their negotiating stance with franchisors.

DEVELOPING MERCHANDISING TECHNIQUES

FRANCHISING

Since 1978 the Federal Trade Commission has required franchisors to disclose information on their operations to prospective franchisors. Registration laws are in effect in 15 states (although they are not uniform). Some require a franchisor to report audited sales figures; rules on contract revocations differ.

A problem arises in franchising when retailers are undercapitalized at the inception of the business. An immediate boom in business may be expected, but this is not often the case. If the retailer cannot hang in until the tide turns, a franchisor buy-back results, with the franchisor stepping in to take over the establishment in order to protect the name. However, the failure rate is low, as previously noted.

NATIONAL BRANDS

Nationally branded products, which offered retailers the security of heavily advertised, established names, carrying a connotation of quality and reliability, were firmly entrenched as the key element in retailers' merchandising strategies until recent years. However, as the number of brands exploded, and the number of different outlets, all striving to sell to the same type of customer, multiplied, things changed. Established retailers saw their exclusivity within a trading area dwindle away with the mushrooming of established brand name goods into mass merchandisers, discounters and even factory outlets of producers.

About 1980, retailers began to take strong counter-measures. Specialty stores dropped brand lines in many cases, disrupting vendor relationships that had been in existence for many years. The downturn in the economy spurred the move, as retail demand softened and high inventories prompted more manufacturers to sell to discounters, or distribute through factory outlets, in greater quantities.

In some cases, manufacturers claimed that they were not selling directly to discounters but that the goods were getting into chains, etc., through the intermediary efforts of diverters; in other instances, manufacturers claimed the goods were counterfeit. The way was opened for another major move in the name game--the switch in emphasis to designer or personality names available through licensing programs.

National brand producers, for their part, have stepped up efforts to benefit from positive consumer feelings about their names developed over the years through brand extensions. Well-known names are being used on lines different from the original product identified with the name--i.e., Mr. Coffee coffee, Dial deodorant. Not all of these moves have met with success, however, as evidenced by Bic pantyhose and Life Savers gum.

DEVELOPING MERCHANDISING TECHNIQUES

LICENSED PRODUCTS

A key move in the name game by retailers of all types is taking on a licensed product or line. In this operation, the owner of a property (the licensor) has allowed a manufacturer or other vendor (a licensee) to manufacture and market his property described by a distinctive name--covering a character, personality, a movie, a designer or whatever the property might be, in return for payment of a royalty, usually based on a percentage of sales. The licensee sells to retailers, or the licensee may be a retailer.

Licensing has been the fastest growing area in the distribution system in recent years. While the rate of growth is slowing in some categories, such as designer licensing, it is still of growing importance in many types of merchandise, particularly children's items, sporting goods and apparel. According to Arnold Bolka, publisher of Licensing Letter, between 1978 and 1983 sales of licensed products grew by over 300%, to the point where in 1983 one out of every eight general merchandise sales dollars involved a licensed product.

Sales of licensed products of all types are projected at about \$35 billion in 1984, up from \$26.7 billion in 1983, and could reach \$75 billion by the end of the decade. From the Spring/Summer 1977 to Spring/Summer 1983, the number of licensed products in the Sears, Penney and Ward catalogs increased by 174%. The licensed property of these retailers listed in the catalogs--i.e., products in which Sears, Penney and Ward are themselves licensees--about tripled, from 118 properties in the 1977 catalogs to 350 in 1983.

Sales of Licensed Products, 1982, 1983
(Billions of Dollars)

	1983	1982	% Change 1983/1982
Licensed goods, total	\$26.7	\$20.6	+ 29.6%
Apparel & accessories	10.1	7.8	+ 29.5
Toys & games	5.4	3.9	+ 38.4
Publishing & stationary products	4.0	2.9	+ 37.9
Gifts & novelties	3.5	2.1	+ 66.7
Home furnishings & housewares	2.1	1.9	+ 10.5
Sporting goods	0.8	1.0	- 20.0
All other categories	0.8	1.0	- 20.0

Source: Based on Arthur Bolka's Licensing Letter.
(WWD 3/9/84)

A licensee can sub-license and also sell to anyone he wants to, which has led to problems for retailers in some areas. The licensor's control lies in offering merchandising and marketing expertise, and in having the option not to renew a contract if a licensee's distribution or operations are unsatisfactory. With the explosion of choices in licensed products, the problem for retailers is making the right choices. A well-timed, well-developed licensed product or line, such as N.F.L. Properties (National Football League) and Cabbage Patch, can produce windfalls, and many products, such as Annie or ET or the Jane Fonda line of bodywear, which seemed to be sure-winners, have required massive markdowns in order to be moved at retail.

DEVELOPING MERCHANDISING TECHNIQUES

LICENSED PRODUCTS

Counterfeiting is a major problem for the entire licensing trade, costing licensees alone over \$1 billion a year, and retailers--no one knows how much they lose to sidewalk vendors of counterfeit (as well as genuine) name goods. "Knock-offs" are another threat--goods which may differ in some slight way from the original licensed goods in contrast with the exact-copy counterfeit.

Merchandising

A major consideration in taking on licensed merchandise is pricing, in terms of position within the merchandise mix in the store, profitability and competitive forces. A licensed product can cost from 5% to 20% more at wholesale than a comparable non-licensed item. Licensed goods must be priced to appeal to the more affluent customer, but markups still average lower than on similar merchandise that is not licensed.

In many licensed product categories, merchandising decisions are in a state of transition. Merchandisers must decide whether a licensed product or line should be integrated into traditional product displays or handled in specialized boutiques. Some specialty retailers, such as Child World, currently employ both techniques.

The workings of a licensing arrangement at the retail level are perhaps clearest in the operation of a leased department--an entire department operated for the store by a licensee, giving the store the advantage of merchandising experience and know-how which may otherwise be lacking. However, as we will discuss further, considerations of exclusivity and profitability are prompting many large retailers to get control of their operations to a greater degree, eliminating leased departments (or licensed products in other departments) in favor of their own private labels or strong national brands. For example, Macy's New York division has taken over the operation of its footwear departments from Wohl Shoe Co., and this procedure will be followed in the California division by August 1985.

The realities of present-day competition, and the growing sophistication and experience of larger retailers, indicate that more will opt to run their own departments, particularly in fashion merchandise. Licensing agents are reported to view their biggest growth opportunity among chain specialty stores and mass merchandisers.

Children's Products

Disney characters on children's wear were the first large-scale use of licensing in apparel. Juvenile character licensing still dominates the licensing trade, and can mushroom very quickly into a wide variety of products (as well as services)--as epitomized by the Cabbage Patch doll lines. Up until recently the attitude was that "you can put a name on anything and it will sell." Children's item retailers now find, however, that consumers' attitudes have changed greatly since the 1982-83 recession. They are more concerned with quality, value and safety in every area than ever before and these considerations are ahead of price in importance.

DEVELOPING MERCHANDISING TECHNIQUES

LICENSED PRODUCTS

Children's Products (continued)

Where they can in dealing with a market dominated by fast-changing fads and fancies, retailers are sticking with proven sellers, or cutting back in some areas and dropping others completely, especially products which appear on the shelves of discounters and off-price operations or other competitors. Most of the larger licenses are very profitable and popularity holds up, but most smaller ones fade from the scene rapidly and often a retailer is caught with merchandise virtually unsaleable at any price.

Designer/Personality Names

It is generally agreed that Calvin Klein and Gloria Vanderbilt launched designer-name licensing on a large scale with jeans about seven years ago. With massive TV promotions, consumer attention was galvanized and a thirst for status labels was created. Brand name manufacturers found themselves under seige in the market through the emergence of a host of new, lower-priced designer and personality-name licensed lines. Designers were no longer confined to couture, but challenging brand supremacy in the moderate to better-price apparel lines, as well as lending their names to a great variety of other products from sports equipment to home-furnishings.

As the economy improved late in 1982, the list of fashion entrants mushroomed. Designers in effect became brands, abetted by a seemingly insatiable demand on the part of a growing number of affluent consumers, particularly working women. The price differential between designer and brand names narrowed, and with tougher business conditions retailers were attracted to designer or personality names which were getting great exposure.

But the proliferation of designer names and the vast quantity of available merchandise has inevitably led to problems. Licensors, licensees and retailers are all feeling the need for controls--each from their own point of view, of course.

The whole system of designer or personality-name licensing is currently in a state of rapid evolution. The sudden, sharp decline of the designer jeans market has made the whole trade wary. Licensors, including those representing the major apparel designers, are seeking greater control of product, styles and distribution. Many are whittling down the number of designer names and changing marketing approaches to reach, through retailers, a broader span of customers.

To an increasing extent, "bridge" lines of designer apparel--lines priced to attract the fashion-minded customer at moderate-price points--are being developed. For example, Cluett Peabody & Co. has recently licensed the Dedham Group, a dress manufacturer, to produce and market a line of designer Ron Chereskin dresses and separates. This will be a new division of Dedham, designed to shift from the higher-priced niche (represented by Dedham's sportswear collection for Cluett) to a broader customer base.

DEVELOPING MERCHANDISING TECHNIQUES

LICENSED PRODUCTS

Designer/Personality Names (continued)

For their part, many designers who are now thoroughly experienced in the marketplace, are challenging established resources, licensors and licensees, and taking steps to get control of the distribution and merchandising of their name lines. In many cases, three- to five-year agreements have now matured and designers are seeking new mentors or greater control, or even breaking away entirely from their licensor arrangements to make deals directly with licensees in an effort to both preserve identity in a highly competitive market and to increase volume.

In a major move in the homefurnishings area this summer, Ralph Lauren assumed control over the business operation (in addition to design control) of the Ralph Lauren Homefurnishings Division of J.P. Stevens and now has a separate sales staff. This is designed to improve the merchandising of this designer line in department stores and winning better exposure by expanding into merchandise classifications within the stores as well as keeping the narrower exposure available in the lifestyle approach as defined in Lauren Home Shops. This parallels the treatment of some designer apparel lines, such as Ralph Lauren's Polo.

The designer Halston is negotiating, according to latest reports, to regain ownership of his made-to-order and high-priced women's ready-to-wear from Beatrice Co., while their subsidiary, International Playtex, will continue to control Halston Enterprises, Halston III (the exclusive line sold by Penney) and probably future Halston licensing deals involving price points below those handled directly by Halston.

In a different move along the path to greater control, designers are opening their own retail outlets to a greater extent. These include such established names as Diane Von Furstenberg, Valentino, Ralph Lauren.

Retailers are taking their own steps to obtain control of distribution of designer or celebrity-name merchandise and keep it from showing up on competitors' shelves, as well as to obtain fashion exclusivity, and higher maintained margins. Quality control, too, has become more important to merchandisers as customers tend now to put quality ahead of price in their buying considerations. Retailers are developing more stringent criteria for the inclusion of designer and celebrity products in their stores. Large retailers to a growing degree are also becoming licensees themselves, dealing directly with designers on an exclusive basis.

The availability of designer or celebrity names through licensing enabled mass merchandisers to quickly upgrade their whole image--and to change their whole approach to selling. Now other major retailers are realizing the potential in direct deals with designers to find the recognition, exclusivity and margin protection they need and are expanding existing programs or developing new ones.

Perhaps the first successful large-scale program of this type was Sears, Roebuck with its Cheryl Tiegs line of women's wear. Other sports celebrity names acquired by Sears include Arnie Palmer and Evonne Goolagong. Sears has added the Boston Athletic Club by Gil Truedsson (men's tailored clothing, sportswear, shoes)--their first link with a major designer.

DEVELOPING MERCHANDISING TECHNIQUES

LICENSED PRODUCTS

Designer/Personality Names (continued)

J.C. Penney launched its exclusive designer line, Halston III, in women's apparel and accessories, and has now expanded it into Halston men's wear and homefurnishings. More expansion into other categories is to follow. Going further in the quest for exclusivity and prestige, Penney has stepped up promotions of tailored men's wear made in Italy under the Conte di Roma label, which Penney owns. Penney also controls Lee Wright men's wear.

Other retailers are jumping on the bandwagon. Associated Dry Goods Corp.'s marketing division has a tie-in with the Italian designer Edward Caracci for men's and women's knit tops, with plans to expand to other lines. The buying office, Frederick Atkins, controls the Christian Aujard labels in women's and children's wear, cosmetics and shoes. Federated continues to expand the size and scope of the Allen Solly label (men's furnishings, clothing and footwear) in their stores.

The inherent downside risk for stores in developing their own designer names is said to be in the fact that in most cases they must become responsible for production of the lines, usually through contractors, sometimes in conjunction with licensors. Long lead times and management of large amounts of inventory are necessary. Other risks are that retailers and designers may differ over fashion direction, or customers may not like the designs, which could cause heavy markdowns on large inventories.

While many retail companies are obviously pleased with their current arrangements with designers and are expanding the size and scope of their exclusive designer lines, there have been failures. R.H. Macy & Co. and designer Randy Allen, for instance, severed their relationship not long after products designed exclusively for Macy for Spring 1983 were introduced. The Gap, a San Francisco-based specialty chain, had problems with overseas production of a jeans line some years ago, causing it to give up the license.

The continued need for means to attract quality/fashion-minded customers who are also very price conscious has lead some large merchandisers to take other measures, such as acquiring or setting up separate operations which are very different from their usual retailing methods.

For example, in 1983 Associated Dry Goods acquired Loehmann's, a leading off-price retailer of designer and upscale women's apparel which now has 67 stores and a volume in excess of \$300 million. The key to success in this operation is that Loehmann's is able to buy at lower than normal prices by purchasing manufacturers' overruns (in contrast with the operations of discounters who may use less direct routes to obtain designer merchandise). Because of large purchasing power and ability to pay cash on short notice, Loehmann's is able to stock stores with hot items very quickly. Merchandise is picked up from the manufacturer, centrally inspected, priced and ticketed with the designer labels removed, then shipped out to stores--generally all within 48 hours.

DEVELOPING MERCHANDISING TECHNIQUES

LICENSED PRODUCTS

Designer/Personality Names (continued)

Expenses are low as virtually no services are offered to customers--no credit, delivery or returns; no advertising is done on specific merchandise.

Federated's Filene's Basement Stores are another example of efforts of a traditional retailer to compete with off-price retailers and discounters in the designer merchandise arena. This operation was broken out as a separate division within Federated a year ago, and there are now 14 units with a volume of over \$150 million, with more to come.

In a different mood, upscale retailers are taking sharp markdowns on designer label goods, while stepping up emphasis on their own private labels.

PRIVATE LABEL PROGRAMS

While still putting emphasis on stronger national brands, and adding exclusive designer lines, the major swing among large general merchandisers is to step up their private label programs in all types of goods, thus filling any gaps in the merchandising mix in terms of price lines and fashion-appeal.

Penney is an example of a large merchandiser's success in working out exclusive programs--using both an established designer name for the Halston III lines and developing resources for merchandise to be sold under Penney's own private labels, as noted in the section on designer-name lines. Ship n' Shore will produce a private label line for Penney aimed at the contemporary career woman and priced between the Halston III collection and Penney's more moderate price lines.

At Penney, the merchandise mix in many of the larger units is reported to be about 85% in private label, 15% in national brands. Their success has probably encouraged department store organizations to go further in developing and promoting their own private labels. They are seen as offering perceived value to the customer, giving quality at a fair price, and they give stores an exclusive name that can be promoted. The store itself, however, must have credibility for such a program to be effective.

Branded resources are hurrying to meet the new conditions fostered by retail skittishness about designer labels and national brands that are too widely distributed and discounted. They are expanding their private label offerings, dealing directly with the retail marketing divisions of the big retailers or reaching them through the stores' membership in a marketing company (buying office) which has product managers who deal with both domestic and foreign producers.

Specialty stores have in some instances formed regional organizations of independent retailers who can deal with manufacturers as a group to have goods made to their own specifications at prices below the manufacturers' regular line prices. This is enabling the smaller retailer to get higher markups while building consumer recognition of their own store labels and allows for promotions later in a season without devastating margins. Otherwise, the size of a minimum order required by a vendor of private label goods, be it a domestic manufacturer or

DEVELOPING MERCHANDISING TECHNIQUES

PRIVATE LABEL PROGRAMS

exporter, makes it impossible for smaller specialty stores or junior department stores to get into private label goods, and they tend to stay with national brands and designer labels in spite of the problems involved.

Off-price retailers, too, use private labels. Designer Depot, K mart's off-price apparel specialty store division, plans to add private label merchandise to its mix of branded goods by the end of this year. The new private label offerings will not bear a "Designer Depot" label, but may carry a licensed name. K mart has also recently established an off-price apparel division, the Garment Rack. These carry quality brand name goods but at a lower price level than the Designer Depot units. Other discounters and off-pricers whose business is based on brand names at discounted prices are, for now, eschewing private label goods entirely in favor of the established identifiable brand.

The private label business is big business. According to trade reports, Carter Hawley Hale's private label program is estimated at \$500 million at retail in 1984. Frederick Atkins Inc., a New York-based retail marketing company owned by 35 retail chains and serving such retailers as B. Altman, John Wanamaker, Dillard's and Hess's, reports that in their stores private brands or labels accounted for 10% of total sales in 1983, and this share is expected to grow to over 20% in the next few years. In some merchandise classifications, the share is much higher, of course. In mature men's sportswear, for instance, many department and specialty stores do about 35% of their business in private labels.

However, as of late 1984, sluggishness in consumer demand is causing a buildup in inventories at the retail level and much of it appears to be in private label merchandise. Because retailers have in many cases committed for these goods with letters of credit, vendors claim that the stores are not able to spend dollars on branded lines. This in turn may force manufacturers to dispose of more merchandise through off-price retail channels--compounding the problems already existing for retailers in today's competitive market.

SOURCING

Decisions on sourcing by retailers are of prime importance in today's competitive markets, particularly where private labels are involved. Because imports offer product lines at less cost, due to lower production costs abroad and the strong U.S. dollar, and may offer the consumer better value than can be found domestically, many retailers are dealing now with foreign producers either directly or through their marketing organizations. According to a study by management consultant Emanuel Weintraub (Women's Wear Daily, Jan. 8, 1985) 22% of all retail soft goods inventories now are directly imported by the stores themselves.

Relationships between the U.S. textile industry and the apparel industry are being put under considerable strain as the apparel segment sets up production facilities abroad, or buys finished goods abroad, and retailers join the fray through direct imports as well as from these apparel manufacturers. Retailers have been very actively fighting against import quotas, but received a setback this year when the U.S. government laid down stricter rules on country of origin designations.

DEVELOPING MERCHANDISING TECHNIQUES

SOURCING

The availability of imported merchandise gives retailers great bargaining power with domestic producers who are now trying to keep their customers satisfied through the development of stronger brands or separate lines for private labels, etc.

PRICING

Dealing directly with U.S. producers for private label merchandise and sourcing abroad is helping retailers remain competitive. However, security from the inroads of price competition for off-price retailers or discounters is usually short-lived. The niche carved out in moderately priced private labels--women's sportswear is a prime example--is most vulnerable to competition from better or high-priced goods because it is in designer labels, national brands and top-line labels that price discounting is most prevalent.

This forces retailers to upgrade their private label offerings from moderate to better or higher-priced lines. Again, a void may be created in a market, to be quickly filled by a retailer who will start the chain reaction once again if present market conditions persist.

Retailers must also contend with present-day consumer psychology. Because of the increasing homogeneity of much merchandise and the highly promotional climate in retailing today, customers now generally perceive a regular price as not the real price. They have become accustomed to waiting for the inevitable markdowns. They are willing to wait, or shop around, preferring quality at a bargain to settling for less desirable merchandise.

When it comes to truly luxury goods, however, there is a different psychology. Most of these are imports, and the present strength of the U.S. dollar would indicate that price cuts could be made to attract more customers and still maintain a healthy margin. Not so, in most cases. Luxury goods have snob appeal, and are more attractive to well-heeled customers if they are expensive as well as perceived as offering quality and uniqueness.

But for retailers of more mundane goods, the customer is giving problems. Suppliers and retailers are working together on solutions--most of which seem to put burdens on suppliers, giving them less lead time as retailers accept goods closer to the time consumers are buying to fill current needs, and cutting back on time available to wait for bargains.

It is clearly the department stores from which off-pricers siphon off the most sales. Initially stung by the off-pricers' success, they are now incorporating some of their competition's tactics into their own strategies. No longer can the off-pricers rely on higher prices at department stores to establish the credibility of their own prices. Department stores are competing on all price points with extensive markdowns after obtaining favorable price concessions from their vendors. They are mixing branded merchandise with higher-priced private label goods to enhance the value of the branded goods. Many have repositioned themselves by lowering costs to attain profits at lower levels of sales volume.

DEVELOPING MERCHANDISING TECHNIQUES

STORE SERVICES

Despite the pressure on profitability, traditional retailers have had to step up some services to meet the competition from similar stores and from new types of outlets, while cutting back on other services, particularly sales help.

The extension of credit is one area of increased service. In addition to the larger stores' own charge plates, many retailers of all types now accept third party credit cards. Extension of credit has been further broadened by the growth of check acceptance companies which guarantee personal checks. Retailers who subscribe to such services pay a percent-of-check fee, in return for which the subscribing retailer can accept customers' checks with assurance of payment. The service has resulted in increased business for many retailers.

Store hours have been changed to meet the needs of customers, particularly because of the number of working women. Opening on Sundays is now a common practice, as well as opening later in the day and staying open later in the evening. Stores have stepped up promotions of telephone and mail order to meet the new needs of customers.

Within the stores, the biggest change since the mid-1970's has been the switch from full-service to a self-service, self-selection format.

SELF-SERVICE/SELF-SELECTION

Self-service is inherent in many types of retail trade today, and to a great extent defines these types--supermarkets, discount stores, off-price retailers, flea markets, etc. However, in response to increased pressure on profitability, other retailers which had traditionally offered sales help, fitting services, etc., have had to cut back on these customer services, and hope that convenience and competitive prices, plus the reliability of the store name and other selling features, would make up for the lack of service. People also have grown very accustomed to self-service, and in many instances prefer the speed it offers.

However, with the stronger economy and the growth of a more affluent group of customers who are generally upgrading their purchases and are more demanding, retailers who wish to please this clientele have to reassess their methods of doing business. Full-service stores aiming at this upscale market are also being opened, or special shops and boutiques within larger stores, staffed with special sales help, have been developed.

In other stores, personnel training programs to familiarize staff with merchandise and store operations are underway in an effort to develop a more confident, aggressive approach in dealing with customers and to convey a better store image. In a program begun in 1982 by The Bon, called "I Guarantee It", each purchase includes the salesperson's name and number. Should a problem arise the salesperson has the obligation to correct it. At Neiman-Marcus, salespeople are required to keep active files and personally contact customers about new merchandise.

DEVELOPING MERCHANDISING TECHNIQUES

SELF-SERVICE/SELF-SELECTION

J.C. Penney is now attempting a different approach to motivating its store personnel to improve their customer contact and service. Penney's introduced, in 1984, an incentive program which pays bonuses based on a percentage that individual departments exceed budgeted plans. Results are already being seen in improved spirit in departments and more cooperation between management and staff to solve customer difficulties more quickly, according to store sources.

While almost all retailers would like to capture the upscale customer, most retailers and analysts agree that the "hand-holding" days of the 1960's will never be seen in such a grand scale again. However with new methods of merchandise display, and improved incentives and training to store personnel, service is expected to show a marked change and improvement as long as the economy does not return to the pattern of slumps experienced in the recent past.

ELECTRONIC SHOPPING

The latest in the trend to low-cost, high return retailing is electronic retailing. It is currently estimated that more than 200,000 households have already purchased over 60,000 products through at-home computers, video-tex terminals and conventional TV sets.

The primary advantage to tele-shopping is its cost-effectiveness. By placing its merchandise in a sort of video catalog, retailers can economically and efficiently present their merchandise to a wider segment of the population than is possible with ordinary retail outlets. People who may for some reason not be able to reach an outlet would be able to have access to any stores' merchandise mix, on a 24-hour a day basis.

Another major advantage to videotex is the speed with which the presentation can be updated. Changes in videotex presentations can be made almost immediately for any reason. This allows retailers the ability to adjust the merchandise mix with considerations towards availability, mark-up, sales trends and other merchandising reasons with very little cost or difficulty.

Shopping at home will grow first through the medium of TV, then through computers. The ease and convenience of electronic shopping has led some industry insiders to estimate that by the year 2000, 20%-25% of all retail sales will be consummated by at-home computer networks.

The largest obstacle to the growth of electronic shopping is the lack of necessary hardware in the hands of consumers. In order to operate an interactive system, as would be utilized in an electronic shopping atmosphere, users need a personal computer as well as a compatible modem so that the consumer's computer can interact with the retailer's system. Currently a system necessary to interact with a retailer's videotex system can cost anywhere from \$600-\$1,200. With only 8.5% of U.S. households having computers in 1984, the market for electronic shopping at the present time is limited.

DEVELOPING MERCHANDISING TECHNIQUES

ELECTRONIC SHOPPING

Another major obstacle to the growth of electronic shopping is the reluctance of consumers to accept the new technology. Although most consumers are willing to accept that branded merchandise is of a certain quality, in many types of goods, particularly apparel, consumers want to see and touch the merchandise in order to decide for themselves which one is a better value for them.

Another problem with video selling is that consumers cannot get direct answers to questions they may have on particular items. If the information is not forthcoming in the presentation, the consumer must go somewhere else to receive it. This, it is believed, would be a deterrent to the use of computers as a primary method of shopping.

What retailers tend to fear most about electronic shopping is a complete change from the traditional method of retailing. Analysts tend to discount this fear noting that most consumers will stick to the way they are most comfortable with doing business. Industry insiders believe that it will not be until an entire generation has grown with video technology for the concept to show general acceptance.

VIDEO DISPLAYS (IN-STORE)

Currently the most common use being made of the video concept is the use of television monitors by retailers which give "demonstrations" that are available within their stores. This allows the customer to see the merchandise in use before purchasing and allows for the elimination of misconceptions and thus the lessening of returns. The increased profitability afforded by this method has excited many retailers, and the number of retailers using video displays in their stores is increasing daily.

In order to overcome the hardware problem, some retailers are combining with cable television operators in order to put their merchandise on television. Customers are then able to use the telephone to order through catalog-type operations.

RETAILING IN 2004

According to reports on a retail forum, entitled "Trends in the Year 2004" (Women's Wear Daily, Dec. 4, 1984), the keynote speaker, Stephen L. Pistner, president and chief executive officer of Montgomery Ward & Co., pointed out changes to be expected in retailers' relationships with vendors. Mass merchandisers and chains, in particular, he contended, will use their purchasing power to persuade vendors to make substantial contributions in terms of case pack and price-marking of merchandise. As retailers become less able to afford to carry excessive inventories or provide needless warehouse space, resources will be under more pressure to deliver close to the actual selling period. In return, the retailer will transfer payments through electronic funds transfer--an immediate transfer.

DEVELOPING MERCHANDISING TECHNIQUES

RETAILING IN 2004

An increasing volume of imported merchandise of high quality and value may be expected, according to this spokesman: "By 2004, retailing will be completely multinational in nature."

As for store space, emphasis in the next two decades will focus on redesigning existing buildings rather than constructing new ones. The high cost of land and of new store construction and the need for more productive use of selling space are the governing factors. Regional malls will continue to be preferred locations; department stores will survive through both a fashion-service-ambiance-value environment and one of promotional pricing.

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1983 Edition available now -- 1984 Edition will be available in March, 1985)

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying head-quarter location. Also lists branch store sales, where available. Sale information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1983 Edition available now -- 1984 Edition will be available in February, 1985)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included. (May)

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits.

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videorecorders and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits. (Special Fact File for 1983)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (Special Fact File for 1984)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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FACT FILE

This image shows a single sheet of white paper with horizontal black ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be a standard notebook or legal pad style. The edges of the paper are slightly irregular, suggesting it might be from a bound volume. The background is plain white.

**Market Research Division
Fairchild Publications, New York**

Department Store Sales

FAIRCHILD FACT FILE

Prepared by

Market Research Division

Audrey S. Balchen, Director

Kenneth Greenman, Research Analyst

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E. B. Gold, Manager
Fairchild Book Division

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DEPARTMENT STORE SALES

INTRODUCTION

This report summarized information on the number of stores operated and sales of traditional department stores, as well as selected larger apparel specialty stores, listed by city, state and region of the U.S. The sales figures are for the year 1983, or closest fiscal period, based on published figures or best available trade sources, including the Fairchild trade newspapers, Dun & Bradstreet, the National Retail Merchants Association and other trade information.

A separate listing is included of the department stores with a volume of \$50 million or more (based on buying headquarter locations) for which data are available. An additional list is included of the major national/regional chains selling general merchandise and also a list of the traditional department stores and apparel stores operated by conglomerate corporations.

The Standard Industrial Classification (SIC) Manual defines department stores as establishments normally employing 25 people or more, having sales of apparel and soft goods combined amounting to 20 percent or more of total sales, and selling each of the following lines of merchandise:

1. Furniture, home furnishings, appliances, radio and TV sets
2. A general line of apparel for the family
3. Household linens and dry goods

To qualify as a department store, sales of each of the above listed lines must be less than 80 percent of total sales. An establishment with total sales of \$10 million or more is classified as a department store even if sales of one of the merchandise lines listed above exceeds the maximum percent of total sales, provided that the combined sales of the other two groups are \$1 million or more. Relatively few stores are included in this classification as a result of this special rule and most of those which are would otherwise have been classified in the apparel group.

To an increasing extent, however, department stores are diversifying their activities, opening specialty store units, off-price outlets, etc., or becoming part of conglomerate operations active in a number of different types of businesses. This has, of course, added to the difficulty of isolating department store volume from consolidated sales data.

NOTE: This report includes only those stores for which sales data, believed to be reasonably accurate, are available. The sales estimates reported may differ markedly from estimates reported for previous years. This may be due, however, not to an actual gain or loss in volume of the magnitude indicated but to differences in the compilation of estimates. Since revisions in earlier estimates may be in order, year-to-year comparisons in sales figures are not recommended.

Fairchild Market Research Division
Audrey S. Balchen, Director

DEPARTMENT STORE SALES

SUMMARY OF AVAILABLE SALES FIGURES FOR
DEPARTMENT STORES, 1983*
BY REGIONAPPROX. SALES
(Millions of \$)

NORTHEAST

CONNECTICUT

Bridgeport

Read's Department Stores (Allied Stores, New York, N.Y.) (6 stores: Conn. 5, N.Y. 1)	\$ 85.0
Skydel's Inc. (1 spec. store)	5.0

Greenwich

D.W. Rogers Inc. (1 spec. store)	3.0
----------------------------------	-----

Hartford

G. Fox & Co. (May Dept. Stores, St. Louis, Mo.) (8 stores: Conn. 6, Mass. 1, R.I. 1)	174.1
Sage-Allen & Co. (12 Conn. jr. dept. stores)	61.7

Middletown

Shapiro's (1 store)	6.0
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MAINE

Brunswick

W.F. Senter Co. (1 store)	3.0
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Damariscotta

R.H. Reny, Inc. (13 Maine stores)	9.8
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Freeport

L.L. Bean (Mail order business plus one store with estimated sales of about \$30 million) (Selling space of store was expanded in 1983)	250.0
--	-------

Portland

Porteous Mitchell & Braun Co. (5 Maine stores)	37.0
--	------

MASSACHUSETTS

Attleboro

London's, Inc. (2 stores plus 3 specialized outlets outside of Attleboro)	5.0
--	-----

Boston Area

Filene's (Federated Department Stores, Cincinnati, Ohio) (14 department stores: Mass. 10, N.H. 2, Maine 1, R.I. 1) (Stores were opened in Newington, N.H. and Portland, Me. in 1983. Crystal Mall, Waterford, Conn. store was opened in Sept. 1984. A store in Albany, N.Y. will be opened in 1985)	292.5
---	-------

(Boston Area continued)

*A number of apparel specialty stores for which sales estimates are available are also included in this report. All reported sales figures are for the year 1983, or closest fiscal period, based on published figures or best available trade estimates.

DEPARTMENT STORE SALES

NORTHEAST

APPROX. SALES
(Millions of \$)

MASSACHUSETTS

Boston Area (continued)

Fileene's Basement, Wellesley (established as a separate division in Jan. 1984) (14 stores in Mass., N.H., N.Y. and Conn.) (Stores were opened in Boston and in Paramus, N.J. in 1984)	\$ 151.2
Harvard Coop., Cambridge (6 stores, including 5 on major campuses in Boston and Cambridge, 1 in downtown Boston) (Volume excluding books = \$10 mil.)	45.0+
Jordan Marsh (Allied Stores, New York, N.Y.) (16 stores: Mass. 12, Me. 1, N.H. 2, R.I. 1) (A store in Waterford, Conn. was opened in July 1984. A store will be opened in Albany, N.Y. in 1985; in N.H. in 1986)	470.0
The Talbot's, Hingham, Mass. (General Mills Inc., Minneapolis, Minn.) (Catalog headquarters. Also operates 33 specialty stores)	100.0+
(Neiman Marcus opened a store in Copley Place, Boston, Feb. 1984. Projected 1st year volume: \$21 million)	

Pittsfield

England Brothers, Inc. (3 Mass. stores)	10.0
---	------

Salem

Jerry's Department Stores (operates Jerry's and Rich's Department Stores (16) in Me., Mass., N.H.)	60.0
--	------

Springfield

Albert Steiger, Inc. (8 stores: Mass. 7, Conn. 1)	55.0
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Waltham

Grover Cronin, Inc. (1 store)	12.0
-------------------------------	------

NEW HAMPSHIRE

Laconia

O'Shea's Dept. Store (1 store)	5.0
--------------------------------	-----

NEW JERSEY

Burlington

Burlington Coat Factory (51 stores in Northeast, plus Ohio and Tex.)	255.3
--	-------

Lakewood

Reynolds Bros., Inc. (5 N.J. specialty stores)	8.0
--	-----

Newark

Bamberger's (R.H. Macy & Co., New York, N.Y.) (23 stores: N.J. 14, Pa. 5, N.Y. 1, Del. 1, Md. 2; plus Furniture Clearance and Auto Centers) (In Aug. 1984, Bamberger's opened a home store in Eatontown, N.J.; in Oct. 1984, a home store in former Clearance Center. A number of Bamberger stores have been remodeled, including Paramus, Livingston and Willowbrook, N.J. There are plans to open 2 more stores in Baltimore; possibly 2 in Wash., D.C.)	1,125.0
Hahne & Co. (Associated Dry Goods, New York, N.Y.) (8 N.J. stores)	115.0

DEPARTMENT STORE SALES

NORTHEAST

	APPROX. SALES (Millions of \$)
<u>NEW JERSEY</u>	
<u>Ocean City</u>	
Stainton's Department Store (1 store)	\$ 6.0
<u>Paramus</u>	
Stern's (Allied Stores, New York, N.Y.) (17 stores: N.Y. 10, N.J. 7)	350.0
<u>Paterson</u>	
Jacobs Department Store (1 store)	10.0
Meyer Brothers (2 N.J. stores)	4.1
<u>NEW YORK</u>	
<u>Amherst</u>	
Jenss Dept. Stores (2 N.Y. stores)	10.0
<u>Buffalo</u>	
Adam, Meldrum & Anderson (10 N.Y. stores)	103.0
L.L. Berger, Inc. (7 N.Y. specialty stores)	17.0
The Sample, Inc. (10 N.Y. specialty stores)	22.0
<u>Elmira</u>	
S.F. Iszard Co., Inc. (3 N.Y. stores)	12.0
Rosenbaum's of Elmira, Inc. (3 N.Y. specialty stores)	4.0
<u>Gloversville</u>	
Argensinger's Dept. Store, Inc. (2 general mdse. stores, 8 specialty stores in N.Y.)	4.4
<u>Jamestown</u>	
Bigelow's Dept. Stores (Jamestown-Bigelow Co.) (1 department store. Also operates 2 specialty stores)	3.0
<u>Kingston</u>	
Britts Dept. Store Corp. (Harjack-Kingston Inc.) (1 store)	6.5
<u>Latham</u>	
Interstate Department Stores, Inc. (Toys "R" Us, Rochelle Park, N.J.) (Operates 2 Boston Stores in N.Y., 2 The Fair Stores, Mich.)	37.0
<u>Liberty</u>	
Sullivan Dept. Store (2 N.Y. stores)	15.0
<u>New York City Area</u>	
Abraham & Straus, Brooklyn (Federated Dept. Stores, Cincinnati, Ohio) (15 stores: N.Y. 9, N.J. 4, Pa. 2)	731.8
Alexander's Dept. Stores, Inc. (15 discount stores: Conn. 1, N.J. 2, N.Y. 12) (Fiscal year adjusted)	516.9

(New York City Area continued)

DEPARTMENT STORE SALES

NORTHEAST

APPROX. SALES
(Millions of \$)

NEW YORK

New York City Area (continued)

B. Altman & Co. (The Altman Foundation, New York, N.Y.) (7 stores: N.Y. 3, N.J. 2, Pa. 2) (Sold in 1984 to Zimmerman Investment Group to comply with Federal tax laws)	\$ 201.3
Flagship store, Fifth Avenue	106.6
Barney's (1 N.Y. specialty store. Expansion is underway.)	60.0
Henri Bendel (1 store, not incl. catalog sales)	26.0
Bergdorf Goodman (Carter Hawley Hale, Los Angeles, Calif.) (1 specialty store in N.Y.C.)	75.0+
Bloomingdale's (Federated Dept. Stores, Cincinnati, Ohio) (13 full-line department stores: N.Y. 4, N.J. 2, Va. 1, Md. 1, Pa. 2, Conn. 1, Mass. 1, Tex. 1; plus 1 homefurnishings specialty store in Mass.)	787.9
(A store in Valley View Center, Dallas, was opened in Oct. 1983; volume expected in 1st year: \$57 million. A Miami, Fla. store was opened in 1984; expected 1st year volume: \$45 million. In 1987, Bloomingdale's plans to open a store in Chicago--its first Midwestern store; and will also open a store in Boca Raton, Fla. Meanwhile, a 3-year renovation program to enlarge the flagship store in N.Y.C. is underway.)	
Bonwit Teller (Allied Stores, New York, N.Y.) (14 stores: Mass. 1, N.Y. 3, N.J. 1, Pa. 2, Ill. 2, Mich. 1, Fla. 2, Calif. 2)	125.0
(Bonwit opened a Palm Desert, Calif. store in Oct. 1983, which is expected to reach a volume of \$10-\$15 million in its 1st full year. A store in Country Club Plaza, Kansas City, Mo.--in a former Harzfeld's unit--was opened by Bonwit in Nov. 1984. The 1st full year's volume for this store is expected to reach \$12 million)	
Gimbels East (Batus Inc., New York, N.Y.) (21 stores: N.Y. 7, Conn. 2, N.J. 3, Pa. 9)	450.0
New York City area	270.0
(The 86th St. store is undergoing extensive renovation)	
Loehmann's Inc. (Associated Dry Goods Corp., New York, N.Y.) (67 off-price women's specialty stores)	295.0
Lord & Taylor (Associated Dry Goods Corp., New York, N.Y.) (41 stores: Conn. 2, D.C. 1, Fla. 5, Ga. 1, Ill. 7, Md. 1, Mass. 3, Mich. 4, N.J. 2, N.Y. 5, Pa. 2, Tex. 6, Va. 2)	650.0
(In Feb. 1984 L&T opened a 4th Houston store, at West Oaks Mall; a 5th Fla. store, at Coral Springs, was opened in the Fall. L&T plans to open 3 Fla. stores in 1985--in Dadeland, Miami International and Boynton Beach. In 1986-1987, stores will be opened in Boca Raton, Fla.; Atlanta, Ga.; San Antonio, Tex. and New Orleans, La.)	
Macy's New York (R.H. Macy, New York, N.Y.) (17 department stores: N.Y. 14, Conn. 2, Fla. 1; plus furniture and auto repair centers)	1,125.0
Herald Square flagship	350.0

(New York City Area continued)

DEPARTMENT STORE SALES

NORTHEAST

APPROX. SALES
(Millions of \$)

NEW YORK

New York City Area (continued)Macy's (continued)

(The Adventura Mall, Fla. store which was opened in Oct. 1983 is expected to reach a volume of almost \$60 million in its 1st full year. Two Houston, Tex. stores were opened, in July and in Oct. 1984. A 3rd Houston store and Macy's 1st Dallas store are to be opened in 1985.)

Mays (J.W. Mays Inc.) Brooklyn, N.Y. (4 stores) \$ 75.0

Ohrbach's (AMCENA Corp., New York, N.Y.) (12 specialty stores:
N.Y. 3, N.J. 3, Calif. 6) 180.0

Saks Fifth Avenue (Batus Inc., New York, N.Y.) (38 stores: N.Y. 4,
Ariz. 1, Calif. 9, Conn. 1, Fla. 4, Ga. 1, Ill. 3, La. 1,
Md. 1, Mass. 1, Mich. 3, Mo. 2, Nev. 1, N.J. 2, Ohio 2,
Pa. 2, Tex. 3) 810.0

(A Cincinnati, Ohio, store was opened in March 1984; expected 1st year volume: \$15 million.) A Dadeland, Miami, Fla. store was opened in Nov. 1984; Fort Worth and San Antonio store openings are planned.)

Niagara Falls

Beir Bros. Inc., Rainbow Center (1 specialty store) 7.0

Olean

Bradner's, Inc. (1 store) 3.5

Oneonta

Bresee's Oneonta Dept. Store (1 store) 6.0

Patchogue

Swezey & Newings, Inc. (3 N.Y. stores) 20.0+

Rochester

B. Forman & Co. (McCurdy & Co., Rochester) (8 N.Y. specialty stores) 20.0

McCurdy & Co. (7 N.Y. department stores) 55.0

Sibley, Lindsay & Curr (Associated Dry Goods, New York, N.Y.)
(14 N.Y. department stores) 175.0

Schenectady

The Carl Co. (7 N.Y. stores) 28.0

Seaford

Mid-Island Department Stores (7 Long Island specialty stores) 30.0

Syracuse

The Addis Co. (4 N.Y. stores) 10.0

Chappell's Dept. Store, Northern Light Shopping Center (7 N.Y. stores) 30.0

Dey's (Allied Stores Corp., New York, N.Y.) (4 N.Y. stores) 45.0

(Hess's, Allentown, Pa., opened 2 stores--in Camillus Plaza Mall and Fayetteville Mall, in Aug. 1984. Expect a combined volume of \$20 million in 1st year of operation)

DEPARTMENT STORE SALES

NORTHEAST

APPROX. SALES
(Millions of \$)

NEW YORK

White Plains

Howland-Steinbach-Hochschild (Supermarkets General, Woodbridge, N.J.) (Operates Howland's--19 stores (Conn. 6, N.H. 1, N.Y. 11, Mass. 1); Steinbach's--6 stores in N.J.; Hochschild--4 stores in Md.) 193.4
 (In 1984 the Hochschild unit at Reistertown Plaza, Baltimore was closed and the other Baltimore-area stores were sold to Hutzler's)

PENNSYLVANIA

Allentown

Hess, Inc. (Crown American Corp., Johnstown, Pa.) (32 stores: Pa. 26, Md. 1, N.Y. 5) 253.9
 (Hess's opened 2 stores in Syracuse, N.Y. area in 1984 which are expected to have a combined volume of \$20 million in their 1st year of operation. Also plans to purchase 8-unit Rices Nachmans Dept. Store from Phillips Van Heusen)
 H. Leh & Co. (3 stores) 20.0

Aston

The Dry Goods (SCOA Industries, Columbus, Ohio) (6 gen. mdse. stores: Del. 3, N.J. 1, Pa. 2) 100.0

Easton

Horn's Fashion Inc. (4 Pa. specialty stores) 3.0
 Orr's Dept. Store (5 stores: Pa. 2, N.J. 3) 5.0

Greensburg

Troutman's (Allied Stores Corp., New York, N.Y.) (7 stores) 25.0
 (Operation closed in January 1985. 2 stores will be converted to Pomeroy's units, Harrisburg)

Harrisburg

Pomeroy's, Inc. (Allied Stores, New York, N.Y.) (5 Pa. stores, not including stores (8) operated out of Levittown, Pa.) 50.0
 (Pomeroy's will also operate 2 former Troutman stores. An additional store will be opened in April 1985 in Coventry Mall, near Pottstown, and the Reading, Pa. store will be closed.)

Havertown

Weinberg's, Inc. (2 specialty stores) 4.0

Hazleton

P. Deisroth's Sons (2 Pa. stores) 6.0

Indiana

Brody Bros., Inc. (3 Pa. specialty stores) 5.0

DEPARTMENT STORE SALES

NORTHEAST

APPROX. SALES
(Millions of \$)

PENNSYLVANIA

Johnstown

Glosser Bros. (1 store)

\$ 11.0

(Also operates Gee Bee Discount Stores)

Lancaster

Watt & Shand (2 Pa. stores)

25.0

Levittown

Pomeroy's, Inc. (8 stores: Del. 1, N.J. 1, Pa. 6)

80.0

Lewistown

Danks & Co. (4 Pa. stores)

6.5

Philadelphia

Strawbridge & Clothier (Operates department stores & discount variety stores--Clover Stores)

545.5

Department stores (12 stores: Del. 2, N.J. 3, Pa. 7)

335.0

John Wanamaker (Carter Hawley Hale, Los Angeles, Calif.) (15 stores: Del. 1, N.J. 2, N.Y. 1, Pa. 11)

360.0

Pittsburgh

Gimbels-Pittsburgh (Batus Inc., New York, N.Y.) (7 Pa. stores)

160.0

Joseph Horne Co. (Associated Dry Goods, New York, N.Y.) (13 stores: Pa. 10, Ohio 3)

155.0

Kaufmann's Department Stores (May Department Store Co., St. Louis) (11 stores: Ohio 2, Pa. 8, W.Va. 1)

301.9

Reading

Boscov's Dept. Stores, Inc. (10 stores: Pa. 8, Del. 1, N.Y. 1)

190.0

Scranton

The Globe (Cleland-Simpson Co.) (Owned by John Wanamaker, Phila., Pa.) (1 store)

20.0

State College

O.W. Houts & Son, Inc. (1 store)

6.5

Uniontown

Metzler's Dept. Store (2 Pa. stores)

4.5

Warren

Levinson Bros. (2 Pa. stores)

4.5

York

S. Grumbacher & Sons, Inc. (17 stores in Md., W. Va., Ind., Pa., Ohio, operated under various names. Also operates a subsidiary, Fowler's, Binghamton, N.Y.)

50.0

DEPARTMENT STORE SALES

NORTHEAST

APPROX. SALES
(Millions of \$)

VERMONT

St. Johnsbury

Hovey's Shop, Inc. (2 Vt. general mdse. stores) \$ 3.0

(Also operates 3 specialty stores in apparel and footwear)

NORTH CENTRAL

ILLINOIS

Bloomington

Rolands of Bloomington, Inc. (2 Ill. stores) 5.0

Champaign

Robeson's Inc. (1 store) 8.0

Chicago Area

Carson Pirie Scott Department Store Division (24 stores in Ill. and Ind.) 343.0

(Plans to buy County Seat, women's apparel chain with a 1984 vol. estimated at \$200 million, from SuperValu, Hopkins, Minn., have been reported, as well as plans to purchase Direct Response, a specialty chain with 1984 vol. estimated at \$100 million. Three central Ill. stores will be closed in Jan. 1985: Peoria, Kewanee and Ottawa)

Crawford Dept. Stores (3 Ill. stores) 14.0

Goldblatt Bros., Inc. (7 Chicago area stores) 24.5

Marshall Field (Batus Inc., New York, N.Y.) (21 stores: Ill. 17, Tex. 3, Wis. 1) 650.0

Chicago Div. (18 stores) 598.0

State Street 164.0

Water Tower Place (Enlarged in 1984, with the addition of a floor. Expects to increase volume to \$60 million) 53.0

Southern Div. (3 Texas stores) 52.0

Meyer Bros. Dept. Store (1 store) 5.0

Spurgeon Mercantile Corp. (84 general merchandise stores operated in Ill., Ind., Ia., Mich., Minn., Wis.) 65.0

Charles A. Stevens (26 specialty stores) 70.0

Wieboldt Stores, Inc. (13 Chicago area stores) 181.4

Downtown store (State St.) 33.0

(Bloomingdale's, New York, plans to open its first Midwestern store, in Chicago in the Spring of 1987. Federated's new MainStreet Division opened 3 Chicago area stores in October 1984. Montgomery Ward will close its State St. flagship store in Jan. 1985.)

DEPARTMENT STORE SALES

NORTH CENTRAL

APPROX. SALES
(Millions of \$)

ILLINOIS

Columbia

Weilbacher's Inc. (1 store)

\$ 4.0

Elgin

Ackemann Bros., Inc. (2 stores)

5.0

Joseph C. Spiess Co. (2 Ill. stores)

12.0

Granite City

The Glik Co., Inc. (9 family clothing stores. Also operates a women's specialty store and a men's specialty store)

6.3

Peoria

P.A. Bergner & Co. (26 stores: Ill. 23, Wis. 3)

204.0

Rock Island

McCabe's (1 department store)

4.0

St. Charles

Colson's Dept. Store, Inc. (2 apparel stores)

3.5

Tinley Park

Gately's People's Store (1 store)

12.0

Waukegan

Globe Dept. Stores (4 stores)

6.0

INDIANA

Elkhart

Ziesel Dept. Stores (2 stores)

4.8

IndianapolisL.S. Ayres & Co. (Associated Dry Goods Corp., New York, N.Y.)
(13 stores in Ind.) (Merged with H. & S. Pogue, Cincinnati, Ohio (5 stores) in 1984)

225.0

The William H. Block Co. (Allied Stores Corp., New York, N.Y.)
(9 stores)

75.0

(Giddings Jenny, Cincinnati, Ohio, opened a 2nd Indianapolis store in Aug. 1984 which is expected to reach a volume of \$5.5 million in its 1st year)

Knox

Weinberg Stores, Inc. (2 stores)

3.2

LaPorte

Levine's Boston Stores, Inc. (2 stores)

3.0

Lafayette

Loeb's Inc. (4 stores: Ill. 1, Ind. 3)

6.8

DEPARTMENT STORE SALES

NORTH CENTRAL

APPROX. SALES
(Millions of \$)

INDIANA

Muncie

Ball Stores, Inc. (3 Ind. stores)

\$ 7.5

Richmond

The Geo. H. Knollenberg Co., Downtown Promenade (1 store)

3.0

South Bend

Deitch-Corson (3 Indiana stores)

15.0

Terre Haute

Schultz & Co. (1 store)

4.0

Valparaiso

J. Lowenstine & Sons, Inc. (1 store)

3.2

IOWA

Cedar Rapids

Armstrong's (2 Iowa stores)

20.0

Davenport

Petersen-Harned-Von Maur, Inc. (10 stores: Ia. 9, Ill. 1)

50.0

Des MoinesYunker's Dept. Store (Equitable of Iowa Companies, Des Moines)
(26 dept. stores: Ia. 21, Ill. 1, Minn. 1, Neb. 2, S.C. 1;
plus 3 home furnishings stores)

179.9

Oelwein

Connors, Inc. (7 specialty stores)

3.0

MICHIGAN

Bay City

W.R. Knepp Co. (3 Mich. stores)

5.0

Detroit

Crowley Milner (10 Michigan stores)

84.5

J.L. Hudson's (20 stores) (merged with Dayton's, Minneapolis, in
May 1984. Now called Dayton Hudson Dept. Store Co., based
in Minneapolis. Combined 1983 sales: \$1.2 billion)

686.0

Escanaba

The Fair Store (4 Mich. gen. mdse. stores)

3.0

Grand Rapids

Herp's Co. (6 Mich. stores) (Allied Stores Corp., New York)

15.0

Paul Steketee & Sons (6 Mich. stores)

27.0

DEPARTMENT STORE SALES

NORTH CENTRAL

APPROX. SALES
(Millions of \$)

MICHIGAN

Jackson

Jacobsons Stores Inc. (19 stores: Fla. 8, Mich. 10, Ohio 1)	\$ 213.0
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Kalamazoo

Gilmore Brothers, Inc. (4 Mich. stores)	12.0
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Mason

Dancer's Fashions (26 specialty stores in Mich. and Ohio)	12.5
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Saginaw

W.C. Wiechmann Co. (3 Mich. stores)	10.0
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MINNESOTA

Duluth

Duluth Glass Block Stores Co. (Mercantile Stores, New York, N.Y.) (1 store)	20.0
Wahl's Dept. Stores (2 stores)	4.0

Mankato

Bretts Dept. Stores (5 Minn. stores)	11.0
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Minneapolis

Dayton's (13 stores: Minn. 9, N.D. 2, S.D. 1, Wis. 1; plus 3 home furnishings stores. Merged with J.L. Hudson, Detroit, in May 1984, to form Dayton Hudson Department Store Co., headquartered in Minneapolis. Combined volume \$1.2 billion) (A 14th store will be opened in Aug. 1985, in Bismark, N.D.)	514.3
Donaldson's (Allied Stores, New York, N.Y.) (9 stores: Ia. 2, Minn. 7)	105.0
Powers Dry Goods (Associated Dry Goods, New York, N.Y.) (7 Minn. stores)	48.0

Rochester

Massey's (1 store)	3.5
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St. Cloud

The Fandel Co. (1 dept. store plus 2 specialty stores in Minn.)	5.0
G.R. Herberger's Inc. (27 stores: Minn. 10, Mont. 3, N.D. 4, S.D. 2, Neb. 4, Wis. 3, Wyo. 1)	75.0

MISSOURI

Joplin

Newman's (5 stores: Kans. 1, Mo. 2, Okla. 2)	23.0
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Kansas City

Hall's Merchandising, Inc. (Hallmark Cards, Inc., Kansas City) (3 stores)	35.0
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(Kansas City continued)

DEPARTMENT STORE SALES

NORTH CENTRAL

APPROX. SALES
(Millions of \$)

MISSOURI

Kansas City (continued)

The Jones Store Co. (Mercantile Stores, New York, N.Y.)
(7 Mo. stores) \$ 174.1

Macy's Midwest (R.H. Macy, New York, N.Y.) (18 stores: Kans. 6,
Mo. 6, Ohio 6. The downtown Toledo, Ohio store was closed
in Jan. 1984) 225.0
(Mission, Kans. Home Store opened August 1984. This division
will be consolidated into Davison's (Atlanta) Div. and will
be called Macy's-Atlanta, Feb. 1985)

(Harzfeld's was closed by Allied Stores in 1984. Bonwit Teller
took over the Country Club Plaza unit and a volume of \$12 million
is projected for the 1st full year of operation.)

Perryville

Rozier Mercantile Co., Inc. (4 apparel specialty stores) 6.0

Poplar Bluff

Roth's Department Stores, Inc. (4 stores: Mo. 1, Ky. 2, Tenn. 1) 3.0

St. Louis

Famous-Barr Co. (May Department Stores, St. Louis. Mo.) (16 stores:
Mo. 13, Ill. 3) 419.1
(Bought a Carson Pirie Scott, Peoria, Ill. store, effective
Jan. 1985)

Stix, Baer & Fuller (Associated Dry Goods, New York, N.Y.) 150.0
(12 stores: Ill. 1, Kans. 1, Mo. 10)
(Acquired by Dillard, Little Rock, Ark. in Feb. 1984. To be
operated as a separate division, Dillard's-Stix, St. Louis.
The downtown St. Louis store will be closed temporarily for
renovation, 2 additional stores will be built--in Columbia
and in Jefferson City, Mo.)

Springfield

Heer's, Inc. (Allied Stores, New York, N.Y.) (2 stores) 15.0

NEBRASKA

Fremont

George Schweser's & Sons, Inc. (14 Neb. stores) 7.5

Lincoln

Miller & Paine, Inc. (3 Neb. stores) 10.0

Omaha

J.L. Brandeis & Sons (10 stores: Ia. 2, Neb. 8) 92.0

(Downtown Omaha store was replaced as the flagship by
Crossroads Mall unit which was renovated in 1984)

Philips Stores, Inc. (7 stores: Ia. 2, Neb. 5) 11.0

Richman-Gordman Stores, Inc. (12 stores: Ia. 4, Kans. 2, Neb. 6) 150.0

DEPARTMENT STORE SALES

NORTH CENTRAL

APPROX. SALES
(Millions of \$)

NORTH DAKOTA

FargodeLendrecie's, West Acres Shopping Center (Mercantile Stores
Co., New York, N.Y.) (1 store)

\$ 15.0

OHIO

AkronThe M. O'Neil Co. (May Department Stores, St. Louis, Mo.)
(10 Ohio stores)

155.6

Ashtabula

Carlisle's (9 stores: Ohio, 5, Pa. 4)

50.0

Bowling GreenFred W. Uhlman & Co. (15 specialty stores: Ohio, 14, Ind. 1)
(plus Uhlman's specialty shops in other areas)

20.0

CincinnatiMcAlpin Co. (Mercantile Stores, New York, N.Y.) (Ohio operations:
7 stores; Kentucky operations: 2 stores)

250.0

H. & S. Pogue Co. (Associated Dry Goods, New York, N.Y.) (6 stores:
Ohio 5, Ky. 1)

70.0

(Merged with L.S. Ayres, Indianapolis, Ind. in Nov. 1984.

Kenwood Mall stores (being renovated)

15.0

Tri-County Mall

13.0

Shillito Rikes (Federated Department Stores, Cincinnati, Ohio)
(14 stores: Ohio, 10, Ky. 4)

359.9

Tri-County Mall

25.0

(Saks Fifth Avenue, N.Y., opened a store in Cincinnati in March
1984. Volume in the 1st year is expected to reach \$15 million)ClevelandThe Higbee Co. (11 department stores in Ohio plus 1 budget store
and 1 homefurnishings store) (The company is to be merged
with Industrial Equity Ltd.)

245.6

The May Co. (May Dept. Stores, St. Louis, Mo.) (10 stores in Ohio)

212.4

ColumbusF. & R. Lazarus (Federated Department Stores, Cincinnati, Ohio)
(17 stores: Ohio 11, Ind. 5, W.Va. 1)

420.4

DaytonThe Elder-Beerman Store Corp. (22 Ohio department stores plus
2 furniture stores and clearance centers)

209.3

East Liverpool

D.M. Ogilvie & Co. (1 department store)

3.0

Lima

Gregg's, Inc. (1 department store)

3.2

DEPARTMENT STORE SALES

NORTH CENTRAL

APPROX. SALES
(Millions of \$)

OHIO

Mansfield

H.L. Reed Co. (1 specialty store)

\$ 3.2

North Canton

J.A. Conley Co. (12 stores)

10.0

Portsmouth

Marting's Dept. Store (2 Ohio stores)

8.5

Springfield

Edward Wren Store (Allied Stores Corp., New York, N.Y.)

10.0

Toledo

The Lion Dry Goods Co. (Mercantile Stores Co., Inc., New York, N.Y.) (2 department stores, 1 Home Store, 1 Fashion Store)

95.0

(Macy's Midwest closed its downtown Toledo store in January 1984)

Wooster

H. Freedlander Co. (1 store)

6.0

Youngstown

Strouss (May Dept. Stores, St. Louis, Mo.) (9 stores: Ohio 7, Pa. 2)

103.6

WISCONSIN

Brookfield

T.A. Chapman Co. (7 Wis. general merchandise and specialty stores)

12.0

Kohl's Department Stores (Batus Inc., New York, N.Y.) (31 value department stores: Wis. 23, Ill. 3, Ind. 5)

240 to 280

(Plan to have 35 stores by end of 1984)

Green Bay

H.C. Prange Co. (H.C. Prange Co., Sheboygan, Wis.) (19 department stores)

130.0

The White Store (3 specialty stores)

4.0

Madison

Emporium of Madison (3 specialty stores)

3.0

Yost's Bros., Inc. (6 specialty stores)

6.0

Marinette

Lauerman Bros. Co. (4 Wis. stores)

5.3

Milwaukee (Also see Brookfield)

Boston Stores (Federated Department Stores, Cincinnati, Ohio) (9 stores)

130.9

Milwaukee flagship store

20 to 30

Gimbels-Midwest (Batus Inc., New York, N.Y.) (10 Wis. stores)

175.0

Downtown

35.0

A. Goldman & Sons (1 store)

4.0

Wisconsin Rapids

Johnson Hills Dept. Stores (3 stores)

10.0

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

ALABAMA

Anniston

Hudson Dept. Stores (Belk Stores Services Inc., Charlotte, N.C.)
(7 stores: Ala. 5, N.C. 1, Miss. 1) \$ 9.0

Birmingham

Parisian, Inc. (11 specialty stores in Ala.) 136.6
(Huntsville, Ala. store opened Aug. 1984; expected volume
1st full year: \$16-\$17 million)

Pizitz, Inc. (12 Ala. stores) 90.0

Huntsville

Dunnivant's, Inc. (1 general mdse. store) 5.0

Mobile

C.J. Gayfer & Co., Inc. Springdale Plaza (Mercantile Stores,
New York, N.Y.) (12 stores: Ala. 3, Fla. 6, Miss. 3) 260.0

Montgomery

Gayfers (Mercantile Stores, New York, N.Y.) (6 stores: Ala. 4,
Ga. 2) 135.0

ARKANSAS

El Dorado

J.A. West Co. (15 stores in Ark., La., Mo., Okla. & Tex.) 24.0

Fayetteville

Campbell-Bell, Inc. (2 stores) 5.5

Fort Smith

Hunt Dry Goods Co., Inc. (8 stores: Ark. 6, Okla. 1, Tex. 1) 11.0

Little Rock

M.M. Cohn (12 specialty stores in Ark., Okla., Tenn.) 50.0

Dillard Dept. Stores--Little Rock Div. (Dillard Dept. Stores, Inc.,
Little Rock, Ark.) (18 stores: Ark. 6, La. 4, Tenn. 5, Tex. 3) 250.0

Newport

Van Atkins Stores (6 specialty stores in Ark. and Miss.) 4.6

DISTRICT OF COLUMBIA (Washington, D.C. area, including nearby
Virginia and Maryland stores. Also see BALTIMORE, MD. listings)

Garfinckel's (Allied Stores, New York, N.Y.) (10 specialty stores:
D.C. 2, Md. 3, Va. 5) 100.0

Washington, D.C. flagship store (undergoing extensive
renovation) 30.0

Hecht's (May Dept. Stores Co., St. Louis, Mo.) (23 stores: Md.
16, D.C. 1, Va. 6) (Central headquarters of Hecht's is to
be moved from downtown store and this store will be closed
in the Fall, 1985. A new store was opened in Metro Center in
1984. 1st year volume of this store is projected to \$50 million)

(Washington, D.C. Area continued)

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

DISTRICT OF COLUMBIA

Washington, D.C. Area (continued)

Woodward & Lothrop (15 department stores: D.C. 1, Md. 10, Va.4; plus 1 Clearance Store) (It is reported that this store group will be acquired by Taubman Holdings, a Detroit Real Estate Developer . 1984 volume of downtown Wash., D.C. store is estimated at \$35 to \$40 million).	\$ 403.6
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FLORIDA

Bradenton

Beall's Dept. Stores, Inc. (28 apparel specialty stores in Fla.)	70.0
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Jacksonville

Body Shop (57 apparel specialty stores in the Southeast)	35.0
Furchgott's of Florida (3 apparel specialty stores)	25.0
May-Cohens (May Dept. Stores, St. Louis, Mo.) (6 Fla. department stores)	61.7

Miami-Palm Beach-Fort Lauderdale Area

Burdine's (Federated Dept. Stores, Cincinnati, Ohio) (26 Fla. stores)	630.3
JByron's Department Stores (Jack Eckerd Corp., Clearwater, Fla.) (56 Fla. stores)	220.5
Jordan Marsh-Florida (Allied Stores, New York, N.Y.) (15 Fla. stores)	250.0

(Lord & Taylor opened a store in Aventura Mall, Miami, Jan. 1983 which was expected to reach \$10 million in its first year, and a Fort Lauderdale store was opened in Oct. 1983 which was expected to reach \$17 million. The Cutler Ridge branch does over \$10 million. Macy's New York's branch in Aventura Mall opened in Oct. 1983, with 1st year volume expected to be close to \$60 million. Saks Fifth Avenue, New York, plans to open a store in Dadeland in November 1984. Bloomingdale's opened a Miami store in August 1984 which is expected to reach \$45 million in its 1st year.)

Pensacola

Great Day Family Stores (18 stores: Ala. 4, Fla. 14)	4.5
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Tampa-St. Petersburg

Hubert Rutland Dept. Store (1 store), St. Petersburg	7.0
Robinson's of Florida (Associated Dry Goods, New York, N.Y.), St. Petersburg (7 Florida stores)	95.0
Maas Brothers, Inc., (Allied Stores, New York, N.Y.) (18 Florida stores)	308.0

Winter Park

Ivey's Florida (Batus Inc., New York, N.Y.) (12 Florida stores)	100.0
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DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

GEORGIA

Atlanta

Davison's (R.H. Macy, New York, N.Y.) (13 stores: Ga. 12, S.C. 1) \$ 325.0

(A Gwinnett Place, Atlanta, Ga. store was opened in Feb. 1984.

A store will be opened in Kennar, near New Orleans, La. in 1986

or 1987 which will be operated by Davison's under the Macy

name. Macy's-Midwest (Kansas City) will be consolidated into

Davison's (Atlanta) Div. in Feb. 1985. This will be called

Macy's-Atlanta)

H. Kessler & Co. (6 Ga. stores plus wholesaling operation) 14.0

Rich's (Federated Dept. Stores, Cincinnati, Ohio) (17 stores:

Ga. 12, Ala. 2, S.C. 2; plus Outlet Home Store, Atlanta) 509.1

(Rich's also operates 31 Richway Discount stores with a

volume of \$401.0 in 1983)

Sunshine Department Stores (6 stores) 7.0

Augusta

J.B. White & Co. (Mercantile Stores, New York, N.Y.) (5 stores:

Ga. 3, S.C. 2) 115.0

Columbus

J.A. Kirven Co. (2 stores) 9.0

Covington

White's Enterprises (1 store) 3.5

Duluth

Parson's, Inc. (3 stores) 6.0

LaGrange

Mansour's, Inc. (1 store) 7.0

Savannah

Levy's of Savannah, Inc. (Allied Stores, New York, N.Y.) (2 stores) 7.0

KENTUCKY

Ashland

C.H. Parsons Co. (1 store) 7.0

Danville

Hub Frankel Co. (1 store) 5.5

Louisville

J. Bacon & Son (Mercantile Stores, New York, N.Y.) (6 stores:

Ky. 5, Ind. 1 plus Root Dry Goods Store, Terre Haute, Ind.) 120.0

Lerman Brothers, Inc. (24 stores: Ind. 1, Ky. 23) 8.0

Levy Bros. Inc. (2 specialty stores) 5.0

Shapira Corp. (19 Ky. stores) 15.0

Snyders, Inc. (8 stores) 40.0

Stewart Dry Goods (Associated Dry Goods, New York, N.Y.) (7 stores:

Ind. 1, Ky. 6) 80.0

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

KENTUCKY

Owensboro

S.W. Anderson Co. (2 stores)

\$ 8.0

Vicco

Martin's Department Stores (5 Ky. stores)

3.5

Whitesburg

Dawahares Dept. Stores, Inc. (2 department stores in Ky. Also operates 16 specialty stores, 3 furniture stores)

38.0

LOUISIANA

Alexandria

Wellan's (3 specialty stores)

11.0

Baton Rouge

Bart-Well, Inc. (operates 13 stores under the names Weill's Dept. Stores and Raymond's Dept. Stores)

8.0

Goudchaux/Maison Blanche Inc. (7 La. stores)

182.1

Lafayette

Abdalla's Lafayette, Inc. (2 specialty stores)

12.0

Lake Charles

Muller Co., Ltd. (Allied Stores Corp., New York, N.Y.) (3 stores)

7.0

Minden

West & Co. of La., Inc. (25 genl. mdse. stores in Ala., Ark., La., Miss. & Tex. plus 7 discount centers)

38.0

New Iberia

Wormser's (2 stores)

3.0

New Orleans

The Leon Godchaux Clothing Co. (7 specialty stores: La. 6, Miss. 1)

35.0

D.H. Holmes Co., Ltd. (15 stores: Ala. 1, La. 12, Miss. 2)

253.8

Krauss Co., Ltd. (1 store)

22.0

(Saks Fifth Ave., New York, opened a store in New Orleans in Oct. 1983 which is expected to reach a volume of \$15 million in 2 years. Lord & Taylor, New York, and Macy's New York will open stores in 1986)

Ruston

Lewis & Co., Ltd. (1 general mdse. store plus apparel specialty shops)

4.2

Shreveport

Rubenstein's, Inc. (4 stores)

10.0

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

MARYLAND

Baltimore

Brager-Gutman (2 general mdse. stores)	\$ 6.0
L. Epstein (8 Md. specialty stores)	30.0
Goldenberg, Caplan, Pierce, Inc. (8 stores)	5.0
Hutzler's (8 stores)	90.0

(3 of these units will be converted to Hutzler stores, the 4th--Eastpoint Mall--is dependent on lease arrangements.

In Oct. 1984 Hutzler's acquired the Sara Fredericks specialty chain which has a volume of \$15 million in 10 stores)

Hochschild, Kohn Inc. (Supermarkets General, Woodbridge, N.J.)

(4 stores in Greater Baltimore area were sold in 1984 to Hutzler's; 3 small Hochschild, Kohn are in operation but Reistertown Plaza store has been closed)

MISSISSIPPI

Columbus

Egger's Dept. Store, Leigh Mall (1 specialty store)	4.0
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Hattiesburg

Fine Bros.-Matison Co. (3 Miss. stores plus 2 specialty stores)	3.2
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Jackson

McRae's Inc. (14 Miss. department stores plus a shoe store)	146.6
(A store opened in 1984; 2 more planned for 1985 including a replacement store)	

Pascagoula

Brumfield's (3 Miss. stores)	5.0
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Tupelo

R.W. Reed Co. (2 Miss. stores)	3.0
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NORTH CAROLINA

Burlington

Belk-Beck Co. of Burlington (4 N.C. stores)	18.0
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Charlotte

Ivey's Carolinas (Batus Inc., New York, N.Y.) (13 stores: N.C. 12, S.C. 1)	115.2
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Elkin

Spainhour's Store (7 N.C. specialty stores)	6.0
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Goldsboro

Weil's (1 specialty store)	3.0
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Kinston

Brody Bros. Dept. Store (2 specialty stores)	3.0
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DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

NORTH CAROLINA

Pembroke

Pate's Supply Co. (1 store) \$ 3.0

Rocky Mount

Baldwin Stores Corp. (13 stores: N.C. 11, Va. 2) 5.0

Shelby

A.V. Wray & Six Sons Dept. Store (4 N.C. stores) 4.0

WhitevilleLeder Bros. Dept. Stores (9 stores, incl. Leder-Potter Stores
in N.C. & S.C.) 6.0Winston-Salem

Davis, Inc. (3 N.C. stores) 7.5

OKLAHOMA

Checotah

Sharpe Dept. Store (19 Okla. stores. Also 1 Ben Franklin Store) 8.0

Oklahoma CityJohn A. Brown Co. (Dayton Hudson, Minneapolis, Minn.) (6 department
stores--Okla. City 3, Norman 1, Tulsa 2. Acquired by Dillard
Dept. Stores in 1984 (Central Div., Fort Worth). Names will
be changed eventually; a store opened in Bartlesville,
Okla. in Aug. 1984)

Langston Co. (3 specialty stores) 10.0

Shawnee

Newton Wall Co. (12 Okla. stores) 8.0

Tulsa

John A. Brown (2 stores) 25.0

Dillard's (Dillard Department Stores)
(2 stores: Southland Shopping Center & Woodland Hills) 11.0

Froug's Inc. (12 stores: Ark. 1, Okla. 11) 20.0

Renberg's (4 stores) 37.0

Sanger-Harris (Sanger-Harris, Dallas)
Woodland Hills Mall (1 store) 20.0(A 2nd Tulsa store was opened in Fall 1984. Expect a volume
of about \$16 million in the 1st full year of operation)The Vandever Co., Southroad Mall (The Dunlap Co., Fort Worth)
(2 Okla. stores) 11.0(Sakowitz, Houston, opened a store in Kensington Galleria in Feb.
1984, with a planned 1st year volume of \$9-\$12.5 million. Sakowitz
will also open a smaller unit in Utica Square, Tulsa.)

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

SOUTH CAROLINA

Anderson

Gallant-Belk (Belk Stores Service, Inc., Charlotte, N.C.) (4 stores: Ga. 2, S.C. 2)	\$ 18.0
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Charleston

James F. Condon & Sons (1 store)	6.0
Kerrison's Dept. Stores (3 S.C. stores)	10.0

Columbia

James L. Tapp Co. (4 S.C. stores)	12.0
J.B. White & Co. (Mercantile Stores, New York, N.Y.) (2 S.C. stores)	22.0

Greenville

Meyers-Arnold Co. (9 stores: S.C. 5, N.C. 2, Ga. 2)	26.0
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Myrtle Beach

Chapin Co. (1 store)	12.0
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Spartanburg

Belk-Hudson (Belk Stores Services, Inc., Charlotte, N.C.) (4 S.C. stores)	12.0
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TENNESSEE

Alcoa

Proffitt's Dept. Stores (5 Tenn. stores)	50.0
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Chattanooga

Loveman's (5 Tenn. stores)	30.0
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Jackson

Kisber's Dept. Store, Inc. (2 Tenn. stores)	6.0
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Knoxville

Millers (Allied Stores Corp., New York, N.Y.) (12 stores: Tenn. 10, Ga. 1, Va. 1. A third Knoxville store will be opened in 1985)	90.0
Ira A. Watson Co. (19 stores: Ala. 1, Ky. 9, Tenn. 4, Va. 2, W.Va. 3)	50.0

Madison

McClure's Stores, Inc., Madison Sq. (3 Tenn. specialty stores)	10.0
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Memphis

Goldsmith's (Federated Department Stores, Cincinnati, Ohio) (6 department stores in Tenn.)	147.7
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Nashville

Cain-Sloan (Allied Stores Corp., New York, N.Y.) (4 Tenn. stores)	55.0
The Castner, Knott Dry Goods Co. (Mercantile Stores, New York, N.Y.) (11 stores: Ala. 3, Ky. 1, Tenn. 7)	160.0
The Harvey Co. (8 stores: Ky. 1, Tenn. 7 incl. warehouse store. Downtown Nashville store was closed Jan. 1984)	4.0

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

TEXAS

Abilene

Thornton's Dept. Stores, Inc. (P.H. Hirsch & Co., St. Louis, Mo.)
(4 Tex. stores) \$ 10.0

Austin

Scarborough's (3 Tex. stores) 24.0

Beaumont

The Fair, Inc. (24 specialty stores in Tex. and La.) 50.0

White House Co. (Boston Stores D.G. Co., Fort Smith, Ark.)
(6 stores: Tex. 3, Ark. 2, La. 1) 40.0

Dallas

Joske's-Dallas/Phoenix (Allied Stores, New York, N.Y.)
(10 stores: Tex. 8, Ariz. 2) 140.0

Neiman-Marcus (Carter Hawley Hale, Los Angeles, Calif.) (19
specialty stores: Tex. 5, Ga. 1, Fla. 2, D.C. 1, N.Y. 1,
Ill. 3, Mo. 1, Cal. 4, Nev. 1) 520.0
(A Boston, Mass. store was opened in Feb. 1984; 1st year
volume projected to \$21 million)

Sanger-Harris (Federated Department Stores, Cincinnati, Ohio)
(14 stores: Tex. 13, Okla. 1) (Not incl. Levy's, Arizona) 361.7

(Macy's New York plans to open a store in Dallas Galleria in the
Fall of 1985. Brooks Bros. (Allied Stores) will open 2 Dallas stores
in 1986. Bloomingdale's New York opened a store in Valley View Center
in Oct. 1983 which was expected to have a 1st year volume of \$50 to
\$55 million).

Denison

Lilley's, Inc. (2 specialty stores) 4.3

El Paso

The Popular Dry Goods Co. (3 stores) 3.0

The United Inc. (12 specialty stores) 3.0

The White House (The Dunlap Co., Fort Worth, Tex.) (2 stores:
Tex. 1, N.M. 1) 10.0

Fort Worth

Dillard Dept. Stores-Central Division (Dillard Dept. Stores Inc.,
Little Rock, Ark.) (26 stores: Kans. 2, Mo. 1, Okla. 8, Tex. 15) 356.0
(4 John A. Brown, Okla. City stores were taken over by this
division in 1984. Also opened a Bartlesville, Okla. store in
Aug. 1984)

Monnig's (10 stores in Texas) 55.0
(Opened 3 specialty stores in Tex. in 1984 and 1 department
store in Amarillo)

Pace, Newsom & Moates Inc. (37 general mdse. stores in Tex.) 38.0

Stripling's & Cos. (The Dunlap Co., Fort Worth, Tex.) (9 Tex. stores) 30.0+

(Saks Fifth Avenue, New York, plans to open a store in Fort Worth)

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

TEXAS

Galveston

Eiband's Dept. Store (1 general mdse. store)
(Also operates a specialty store in Galveston) \$ 6.6

Houston

Esther Wolf (1 specialty store) 6.0

Foley's (Federated Dept. Stores, Cincinnati, Ohio) (15 department stores in Texas plus a warehouse operation) 625.9

(Foley's has a major remodeling program, involving 8 Houston area stores, underway. A 12th Houston store was opened in 1984, at Deerbrook Mall, and a Post Oak Mall, College Station, store was opened Nov. 1984)

Joske's (Allied Stores, New York, N.Y.) (11 Texas stores) 150.0

Sakowitz Inc. (15 specialty stores in Tex., Okla., Ariz.) 190.0

(R.H. Macy signed a lease to build a flagship store--its 4th in Houston--in Dec. 1984. Store will be in the Galleria Mall.)

Laredo

Hachar's Dept. Store (3 stores) 15.0

Richter's Dept. Store (2 stores) 5.5

Lubbock

Hemphill-Wells Co. (4 Texas stores) 30.0

Lena Stephens, Inc. (1 specialty store) 3.7

San Antonio

Dillard Department Stores, Texas-New Mexico Division (Dillard Dept. Stores, Little Rock, Ark.) (22 stores: Tex. 19, New Mex. 3) 241.0

3 full-line San Antonio stores plus 1 smaller unit 60.0+

Frost Brothers (Manhattan Industries, New York, N.Y.) (12 specialty stores in Texas) 120.0

3 full-line stores plus 1 hotel boutique in San Antonio 55.0

Joske's (Allied Stores, New York, N.Y.) (7 Texas stores) 110.0

San Antonio (4 stores) 80.0

La Feria Dept. Store (6 stores) 16.0

(Store openings in San Antonio are planned by Saks Fifth Avenue, Lord & Taylor, Sakowitz, Macy's New York, Marshall Field, Neiman Marcus)

Trinity

Baskin's Dept. Stores, Inc. (4 stores) 4.5

Waco

R.E. Cox Co. (1 store) 11.0

Wichita Falls

McClurkin's Dept. Store (2 Tex. general mdse. stores) 10.0

DEPARTMENT STORE SALES

SOUTH

APPROX. SALES
(Millions of \$)

VIRGINIA

Arlington

Morton's (6 specialty stores) \$ 10.0

Lawrenceville

W.S. Peebles & Co., Inc. (40 stores in Del., Md., N.C., S.C., Va.) 80.0

Martinsville

Globman's Inc. (6 specialty stores) 13.0

Norfolk

Rices Nachmans (Phillips-Van Heusen Corp., New York, N.Y.) (8 specialty stores in Va. Sold to Hess's, Allentown, Pa. in 1984. To be operated as Hess's Rices Nachmans after renovations.) 30.0

Smith & Welton, Inc. (8 stores) 17.0

Richmond

Miller & Rhoads (Allied Stores Corp., New York, N.Y.) (22 stores: Va. 17, N.C. 5) 125.0

Southern Dept. Stores, Inc. (4 stores, under different names, in Va.) 5.0

Thalhimer Bros., Inc. (Carter Hawley Hale Stores, Inc., Los Angeles, Ca.) 242.0
(25 stores: Va. 14, N.C. 9, S.C. 1, Tenn. 1)Roanoke

S.H. Heironimus Co., Inc. (Va. stores) 16.0

WEST VIRGINIA

Charleston

A.W. Cox Dept. Store Co. (15 stores: Ky. 5, Ohio 1, W.Va. 9) 8.0

Fairmont

Hartley's Dept. Store (1 store) 4.0

Logan

Sayer Bros. (5 specialty stores) 7.0

Parkersburg

Dils Bros. & Co. (2 W.Va. department stores) 6.9

Wheeling

Good's Department Stores, Inc. (1 specialty store) 3.5

Stone & Thomas, Inc. (15 department stores in W.Va.) 100.0

(Also operates Cronos, Wheeling, W.Va., a men's specialty store)

DEPARTMENT STORE SALES

WEST

APPROX. SALES
(Millions of \$)

ARIZONA

Douglas

Phelps Dodge Mercantile Co. (5 general mdse. stores) \$ 20.0

Flagstaff

Babbitt Bros. Trading Co. (9 Ariz. stores) 12.0

Mesa/Tempe/Scottsdale

The Broadway Southwest, Mesa (Carter Hawley Hale, Los Angeles, Calif.)(10 stores: Ariz. 7, Nev. 2, N.M. 1) 135.0

(Will open 2 stores in Denver area in Fall 1985)

Diamond's, Tempe (Dayton Hudson, Minneapolis, Minn.) (12 stores: Ariz. 9, Nev. 3) 159.8

(Acquired by Dillard Department Stores in 1984. To be operated as a separate division--Dillard's-Diamond)

Goldwater's, Scottsdale (Associated Dry Goods, New York, N.Y.) (9 stores: Ariz. 7, N.M. 1, Nev. 1) 105.0

Tucson

Levy's (Sanger-Harris Div. of Federated Department Stores) (2 stores) 37.6

Wickenburg

Johnson's Dept. Store (2 Arizona stores) 3.4

CALIFORNIA

Alhambra

Lieberg's (2 general merchandise stores) 3.0

Bakersfield

Brock's Dept. Store (2 stores) (2 Bakersfield department stores) 20.0

Berkeley

Hink's Department Store (1 store) 6.0

Carson

The Boston Stores, Inc. (20 stores: Ariz. 4, Calif. 16) 23.0

Chico

M. Oser & Co. (3 stores) 3.6

Eureka

Dalys (3 stores) 6.5

Fresno

E. Gottschalk & Co. (8 department stores in Calif., incl. Fashion Fair. Also operates Bobbie West and Village East specialty stores) 104.0

(A replacement store for the Merced unit was opened in Mar. 1983. Projected 1st year volume: \$10.0 million.)

Ollenberger's (4 stores) 6.0

DEPARTMENT STORE SALES

WEST

APPROX. SALES
(Millions of \$)

CALIFORNIA

Glendale

H.S. Webb & Co. (2 stores) \$ 5.5

La Canada

Ivers Dept. Store (1 store) 7.2

Los Angeles/Long Beach Area

Buffum's Inc., Long Beach (11 junior department stores, 4 sportswear specialty shops) 110.0

Broadway-Southern California (Carter Hawley Hale, Los Angeles, Calif.) (40 Calif. stores) 815.0

Glendale 34.0

Northridge 29.0

San Diego (5 stores) 29.0

(An estimated total of \$25.0 million was realized in mail, telephone and warehouse sales in 1983. The Broadway will open 2 stores in San Diego County in 1985 and one at South Coast Plaza in 1986.)

Bullock's Southern California (Including Bullocks Wilshire stores) (28 stores) 588.9

Bullock's (not including mail order and warehouse sales or Bullocks Wilshire) (22 department stores) 487.5

Westwood 37.0

South Coast Plaza 45.0

Sherman Oaks 48.5

Bullock's Wilshire (6 specialty stores) 78.0

Wilshire Blvd. 30.5

The First Street Store, Ltd. (2 genl. mdse. stores), Los Angeles 5.0

May Co, California, North Hollywood (May Dept. Stores, St. Louis, Mo.)

(34 stores) 725.1

Costa Mesa 42.0

Redondo Beach 35.5

San Diego 32.0

Mervyn's, Hayward (Dayton Hudson, Minneapolis, Minn.) (126 promotional soft goods stores) 1,689.0

Roberts Dept. Stores, Los Angeles (9 Calif. stores) 13.0

J.W. Robinson (Associated Dry Goods, New York, N.Y.) (21 Calif. stores) 476.0

Beverly Hills 42.4

Santa Barbara 36.2

Woodland Hills 35.0

Modesto

C.H. Dunlap (2 stores. Also operates Hink's Dept. Stores, Berkeley, Calif., a subsidiary.) 9.0

Pacific Grove

Holman's Dept. Store (1 store) 7.7

DEPARTMENT STORE SALES

WEST

APPROX. SALES
(Millions of \$)

CALIFORNIA

Redding

C.M. Dicker, Inc. (1 store)

\$ 3.7

SacramentoWeinstock's (Carter Hawley Hale Stores, Inc., Los Angeles, Calif.)
(12 stores: Calif. 8, Nev. 1, Utah 3)

193.0

San Bernardino

Harris (5 stores)

50.0

San Diego

Walker Scott Co. (14 stores)

42.0

San Diego

9.0

LaJolla

2.5

(The San Diego and LaJolla stores are to be closed in Feb. 1985)

(In August 1985, the Horton Plaza mall will be opened and anchored by the Broadway, Nordstrom, J.W. Robinson and Mervyn stores)

San Francisco/Oakland/Palo AltoEmporium Capwell (Carter Hawley Hale, Los Angeles, Calif.)
(21 Calif. stores. A store at Vallejo Fashion Park was opened in Nov. 1984)

550.0

Liberty House (Oakland) (Liberty House Hawaii, Amfac Inc., Honolulu, Hawaii) (Divested by Amfac in 1984. Macy's took over 4 stores as part of Macy's California division--San Francisco, Sacramento, Santa Rosa, Calif.; Reno, Nev. Remaining 6 Calif. stores merged into Liberty House, Hawaii) 10 stores in 1983

110.0

Macy's California (R.H. Macy, New York, N.Y.) (22 stores in Calif.) (Acquired 4 Liberty House units in 1984, as noted above.)

1,050.0

Macy's East was opened in Sept. 1984 in former Liberty House store across from Macy's Union Square. Another 3 are to be reopened as enlargements of existing Macy's California stores)

I. Magnin (Federated Dept. Stores, Cincinnati, Ohio) (25 specialty stores: Calif. 18, Ariz. 1, Ore. 1, Wash. 1, Ill. 3, Md. 1)

276.0

(Nordstrom opened a store in a former Bullock's North Shore, Stanford Shopping Center, in Nov. 1984. Expected to do \$30 million in its 1st full year of operation. In 1985, Nordstrom will open 2 more Northern Calif. stores--at Oakridge and at Cort Madera.)

San Luis Obispo

Riley's Dept. Store Inc. (4 stores)

10.0

San Mateo

Levy Bros. Dept. Stores (5 stores)

8.1

DEPARTMENT STORE SALES

WEST

APPROX. SALES
(Millions of \$)

CALIFORNIA

Santa Cruz

Samuel Leask & Sons (3 stores)

\$ 8.0

Santa Monica

H.C. Henshey Co. (2 stores)

10.0

Watsonville

Charles Ford Co. (5 department stores, 5 specialty stores in Calif.) 22.0

Whittier

Hinshaw's Dept. Stores, Inc. (2 Calif. stores)

28.0

COLORADO

Denver AreaThe Denver Dry Goods Co. (Associated Dry Goods, New York, N.Y.)
(12 stores in Colorado)

140.0

Joslin's, Englewood (Mercantile Stores, New York, N.Y.) (9 stores:
Colo. 8, Wyo. 1)

150.0

May D & F (May Dept. Stores, Denver, Colo.) (12 Colo. stores)

148.1

HAWAII

HonoluluLiberty House-Hawaii & Village Fashion (Amfac, Honolulu, Hawaii)
(8 department stores and 40 hotel shops)

220.0

IDAHO

Boise

The Bazaar (2 stores)

7.3

Idaho Dept. Store (Idaho Dept. Store Co., Caldwell, Id.)

3.5

The Mode, Ltd. (2 specialty stores)

6.0

MONTANA

Billings

Hart Albin Co. (1 department store)

4.0

(Also operates specialty outlets)

NEVADA

Las Vegas

Bullock's Fashion Show Center

18.0

(Neiman Marcus, Saks Fifth Ave., Goldwaters and Diamond's operate
stores in Las Vegas which have a combined sales volume estimated
at \$48 million)

OREGON

Klamath FallsMiller's Dept. Store (Idaho Dept. Store Co., Caldwell, Id.)
(1 store)

13.5

DEPARTMENT STORE SALES

APPROX. SALES
(Millions of \$)

WEST

OREGON

PortlandMeier & Frank (May Dept. Stores Co., St. Louis, Mo.) (7 stores:
Ore. 6, Wash. 1)

\$ 203.7

UTAH

Salt Lake CityZCMI Department Store (Zion's Co-operative Mercantile
Institution) (9 stores: Idaho 2, Utah 7)

151.0

Tooele

Christenson's (5 specialty stores)

6.0

WASHINGTON

Seattle/Everett/Spokane/Tacoma AreaThe Bon (Allied Stores, New York, N.Y.) (36 stores plus
Seattle Home Store: Wash. 17, Ore. 6, Id. 7, Mont. 3,
Utah 3, Wyo. 1)

430.0

Seattle/Tacoma Met. Area (12 stores)

285.0

Frederick & Nelson, Seattle (Batus Inc., New York, N.Y.)

(15 stores: Wash. 8, Ore. 7) (Major renovations in 1983-84)

225.0

Nordstrom's (Nordstrom Inc., Seattle)

Seattle/Tacoma area (7 specialty stores)

240.0

DEPARTMENT STORE VOLUME LEADERS

Following is a listing of leading traditional department stores, showing the buying or divisional headquarter location as of the end of 1983 and the best available information on sales for the year 1983 (or closest fiscal period) attributed to each headquarter operation. The volume figures cover sales of all stores (confined to department stores where possible) operated by the listed store. Not included in this compilation are national chains (such as Sears, Ward and Penney), promotional chains and discount houses. (See section on MAJOR NATIONAL/REGIONAL CHAINS)

STORES WITH TOTAL SALES OF \$100 MILLION OR MORE

	SALES VOLUME (Millions of \$)
Macy's New York, New York, N.Y. (R.H. Macy) (17 department stores plus furniture clearance and auto centers)	\$ 1,125.0
Bamberger's, Newark, N.J. (R.H. Macy) (23 department stores plus furniture clearance and auto centers)	1,125.0
Macy's California, San Francisco, Calif. (R.H. Macy) (22 department stores)	1,050.0
Broadway Southern California, Los Angeles, Calif. (Carter Hawley Hale) (40 stores)	815.0
Bloomingdale's, New York, N.Y. (Federated) (13 stores)	787.9
Abraham & Straus, Brooklyn, N.Y. (Federated) (15 stores)	731.8
May Co., California, Los Angeles, Calif. (May Department Stores) (34 stores)	725.1
J.L. Hudson, Detroit, Mich. (Dayton-Hudson) (20 stores)*	686.0
Marshall Field, Chicago, Ill. (Batus Inc.) (21 stores)	650.0
Lord & Taylor, New York, N.Y. (Associated Dry Goods) (40 stores)	650.0
Burdine's, Miami, Fla. (Federated) (25 stores)	630.3
Foley's, Houston, Tex. (Federated) (25 stores)	630.3
Emporium Capwell, San Francisco, Calif. (Carter Hawley Hale) (21 stores)	550.0
Dayton's, Minneapolis, Minn. (Dayton Hudson) (13 department stores plus 3 homefurnishings stores)*	514.3
Bullock's, Los Angeles, Calif. (Federated) (22 department stores, not including Bullock's Wilshire)	510.9

* J.L. Hudson was merged with Dayton's, Minneapolis, Minn., to form Dayton Hudson Department Stores in Sept. 1984.

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF \$100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of \$)
Rich's Inc., Atlanta, Ga. (Federated) (17 stores)	\$ 509.1
Hecht's, Washington, D.C. (May Department Stores) (23 stores)	477.3
J.W. Robinson Co., Los Angeles, Calif. (Associated Dry Goods) (21 stores)	476.0
Jordan Marsh Co., Boston, Mass. (Allied Stores) (16 stores)	470.0
Gimbel's East, New York, N.Y. (Batus, Inc.) (21 stores)	450.0
The Bon, Seattle, Wash. (Allied Stores) (36 stores plus Seattle Home Store)	430.0
F & R Lazarus, Columbus, Ohio (Federated) (17 stores)	420.4
Famous Barr, St. Louis, Mo. (May Department Stores) (16 stores)	419.1
Woodward & Lothrop, Inc., Washington, D.C.	403.6
Sanger-Harris, Dallas, Tex. (Federated) (14 stores)	361.7
Wanamaker's, Philadelphia, Pa. (Carter Hawley Hale) (16 stores)	360.0
Shillito Rikes, Cincinnati, Ohio (Federated) (14 stores)	359.9
Dillard Dept. Stores-Central Division, Fort Worth, Tex. (Dillard Dept. Stores, Little Rock, Ark.) (26 stores)	356.0
Stern's, Paramus, N.J. (Allied Stores) (17 stores)	350.0
Carson Pirie Scott & Co., Chicago, Ill. (24 stores in department store div.)	343.0
Strawbridge & Clothier, Philadelphia, Pa. (Allied Stores) (12 stores)	335.0
Davison's, Atlanta, Ga. (R.H. Macy) (13 stores)	325.0
Maas Bros., Tampa, Fla. (Allied Stores) (18 stores)	308.0
Kaufmann's, Pittsburgh, Pa. (May Department Stores) (11 stores)	301.9
Filene's, Boston, Mass. (Federated) (13 stores, not including separated Basement Division)	292.5
C.J. Gayfer Co., Mobile, Ala. (Mercantile Stores) (12 stores)	260.0
Hess's Inc., Allentown, Pa. (Crown American Corp.) (29 stores)	253.9

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF \$100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of \$)
D.H. Holmes Co., New Orleans, La. (15 stores)	\$ 253.8
Jordan-Marsh-Florida, Miami, Fla. (Allied Stores) (15 stores)	250.0
Dillard Dept. Stores-Little Rock Div., Little Rock, Ark. (18 stores)	250.0
McAlpin Co., Cincinnati, Ohio (Mercantile Stores) (9 stores)	250.0
Higbee's, Cleveland, Ohio (The Higbee Co. Dept. Store Div.) (11 stores)	245.6
Thalhimer's, Richmond, Va. (25 stores)	242.0
Dillard's Dept. Stores-Texas/New Mexico Div., San Antonio, Tex. (Dillard Department Stores, Little Rock, Ark.) (22 stores)	241.0
Macy's Midwest, Kansas City, Mo. (R.H. Macy) (18 stores) (To be consolidated into Davison's (Atlanta) Div. in Feb. 1985.)	225.0
L.S. Ayres, Indianapolis, Ind. (Associated Dry Goods) (13 stores)**	225.0
Frederick & Nelson, Seattle, Wash. (Batus, Inc.) (15 stores)	225.0
JByron's, Miami, Fla. (Jack Eckerd Corp.) (56 junior department stores)	220.5
Jackson Stores, Jackson, Mich. (19 stores)	213.0
The May Co., Cleveland, Ohio (May Dept. Stores, St. Louis, Mo.) (10 stores)	212.4
Elder Beerman Stores Corp., Department Store Div., Dayton, Ohio (22 stores)	209.3
P.A. Bergner, Peoria, Ill. (26 stores)	204.0
Meier & Frank, Portland, Ore. (May Department Stores) (7 stores)	203.7
B. Altman, New York, N.Y. (sold to Zimmerman Investment Group in 1984) (7 stores)	201.3
Gimbel's Midwest, Milwaukee, Wis. (Batus, Inc.) (11 stores)	195.0
Howland-Steinbach-Hochschild, White Plains, N.Y. (Supermarkets General) (29 stores)	193.4
Weinstock's, Sacramento, Calif. (Carter Hawley Hale) (12 stores)	193.0
Boscov's Department Stores, Reading, Pa. (9 stores)	190.0

**L.S. Ayres was merged with H. & S. Pogue, Cincinnati, Ohio, in 1984.

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF \$100 MILLION OR MORE (continued)

SALES VOLUME
(Millions of \$)

Goudchaux/Maison Blanche, Baton Rouge, La. (Goudchaux's Inc.) (7 stores)	\$ 182.1
Wieboldt Stores, Chicago, Ill. (13 stores)	181.4
Yunker Bros. Inc., Des Moines, Ia. (Equitable of Iowa) (29 stores)	179.9
Sibley's, Rochester, N.Y. (Associated Dry Goods) (14 stores)	175.0
G. Fox, Hartford, Conn. (May Department Stores) (8 stores)	174.1
The Jones Co., Kansas City, Mo. (Mercantile Stores) (7 stores)	160.0
Castner Knott Dry Goods Co., Nashville, Tenn. (Mercantile Stores) (11 stores)	160.0
Gimbels, Pittsburgh, Pa. (Batus, Inc.) (7 stores)	160.0
Diamond's, Tempe, Ariz. (Dayton Hudson) (12 stores)***	159.8
The M. O'Neil Co., Akron, Ohio (May Department Stores) (10 stores)	155.6
Joseph Horne, Pittsburgh, Pa. (Associated Dry Goods) (13 stores)	155.0
ZCMI, Salt Lake City, Utah (9 stores)	151.0
Stix, Baer & Fuller, St. Louis, Mo. (Associated Dry Goods) (12 stores)****	150.0
Richman-Gordman Stores Inc., Omaha, Neb. (12 stores)	150.0
Joske's, Houston, Tex. (Allied Stores) (11 stores)	150.0
Joslin Dry Goods, Englewood, Colo. (Mercantile Stores) (9 stores)	150.0
May-D & F, Denver, Colo. (May Department Stores) (12 stores)	148.1
Goldsmith's, Memphis, Tenn. (Federated) (6 stores)	147.7
McRae's, Jackson, Miss. (14 stores)	146.6
Joske's-Dallas/Phoenix, Dallas, Tex. (Allied Stores) (12 stores)	140.0
Denver Dry Goods, Denver, Co. (Assoc. Dry Goods) (12 stores)	140.0

*** Acquired by Dillard Department Stores Co. in 1984. To be operated as a separate division, Dillard's-Diamond's.

****Acquired by Dillard Department Stores in 1984. To be operated as a separate division, Dillard's-Stix.

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF \$100 MILLION OR MORE (continued)

	SALES VOLUME (Millions of \$)
Broadway-Southwest Div., Mesa, Ariz. (Carter Hawley Hale)	\$ 135.0
Gayfer's, Montgomery, Ala. (Mercantile Stores) (6 stores)	135.0
Boston Store, Milwaukee, Wis. (Federated) (8 stores)	130.9
Prange's, Green Bay, Wis. (H.C. Prange Co.) (19 department stores)	130.0
Miller & Rhoads, Richmond, Va. (Allied Stores) (22 stores)	125.0
J. Bacon & Sons Co., Louisville, Ky. (Mercantile Stores) (6 stores)	120.0
Ivey's-Carolinas, Charlotte, N.C. (Batus, Inc.) (13 stores)	115.2
J.B. White, Augusta, Ga. (Mercantile Stores) (5 stores)	115.0
Hahne & Co., Newark, N.J. (Assoc. Dry Goods) (8 stores)	115.0
Joske's, San Antonio, Tex. (Allied Stores) (7 stores)	110.0
Buffum's, Long Beach, Calif. (15 stores)	110.0
Goldwater's, Scottsdale, Ariz. (Associated Dry Goods) (9 stores)	105.0
H. & S. Pogue, Cincinnati, Ohio (Associated Dry Goods) (5 stores)#	105.0
Donaldson's, Minneapolis, Minn. (Allied Stores) (9 stores)	105.0
E. Gottschalk, Fresno, Cal. (8 stores)	104.0
Strouss, Youngstown, Ohio (May Department Stores) (9 stores)	103.6
Adam, Meldrum & Anderson, Buffalo, New York (10 stores)	103.0
Stone & Thomas, Wheeling, West Va. (15 stores)	100.0
Ivey's Florida, Winter Park, Fla. (Batus, Inc.) (12 stores)	100.0

H. & S. Pogue merged with L.S. Ayres, Indianapolis, Ind., in Nov. 1984.

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF \$50 MILLION TO \$99 MILLION

SALES VOLUME
(Millions of \$)

The Lion Dry Goods Co., Toledo, Ohio (Mercantile Stores) (2 department stores & 2 specialty stores)	\$ 95.0
Robinson's of Florida, St. Petersburg, Fla. (Associated Dry Goods) (7 stores)	95.0
J.L. Brandeis & Sons, Omaha, Neb. (10 stores)	92.0
Hutzler's, Baltimore, Md. (8 stores)##	90.0
Millers Inc., Knoxville, Tenn. (Allied Stores) (12 stores)	90.0
Pizitz, Birmingham, Ala. (12 sotres)	90.0
D.M. Read Inc., Bridgeport, Conn. (Allied Stores) (6 stores)	85.0
Crowley's, Detroit, Mich. (Crowley Milner & Co.) (10 stores)	84.5
John A. Brown Co., Oklahoma City, Okla. (Dayton Hudson) (6 stores) ###	81.8
W. S. Peebles & Co., Lawrenceville, Va. (40 stores)	80.0
Pomeroy's Inc., Levittown, Pa. (Allied Stores) (8 stores)	80.0
Stewart Dry Goods, Louisville, Ky. (Associated Dry Goods) (7 stores)	80.0
G.R. Herberger's, St. Cloud, Minn. (27 stores)	75.0
William H. Block & Co., Indianapolis, Ind. (Allied Stores) (9 stores)	75.0
May's (J.W. Mays Inc.), Brooklyn, N.Y. (4 stores)	75.0
H. & S. Pogue Co., Cincinnati, Ohio (Associated Dry Goods) (5 stores)####	70.0
May-Cohens, Jacksonville, Fla. (May Department Stores) (6 stores)	61.7
Sage Allen, Hartford, Conn. (12 stores)	61.7
Jerry's Department Stores, Inc., Salem, Mass. (16 stores)	60.0
Albert Steiger Inc., Springfield, Mass. (8 stores)	55.0

Acquired Hochschild, Kohn stores in Greater Baltimore area from Supermarkets General in 1984.

Acquired by Dillard Department Stores in 1984. To be operated by the Central Division.

Merged with L.S. Ayres, Indianapolis, in Nov. 1984.

DEPARTMENT STORE VOLUME LEADERS

STORES WITH SALES OF \$50 TO \$99 MILLION (continued)

	SALES VOLUME (Millions of \$)
Cain-Sloan, Nashville, Tenn. (Allied Stores) (4 stores)	\$ 55.0
McCurdy & Co., Rochester, N.Y. (7 stores)	55.0
Harris, San Bernardino, Calif. (5 stores)	50.0
Petersen-Harned-Von Maur Inc., Davenport, Ia. (10 stores)	50.0
Carlisle's, Ashtabula, Ohio (9 stores)	50.0
Pomeroy's, Harrisburg, Pa. (Allied Stores) (5 stores)	50.0
S. Grumbacher & Sons, York, Pa. (17 stores)	50.0
Proffitt's Department Stores, Alcoa, Tenn. (5 stores)	50.0
Ira A. Watson Co., Knoxville, Tenn. (19 stores)	50.0

MAJOR NATIONAL/REGIONAL CHAINS

The following companies have major positions in general merchandise/apparel retailing--including the operation of traditional department stores, discount stores and off-price retail outlets, apparel specialty stores and catalog operations. Many of these chains are also engaged in nonrelated activities, including the operation of supermarkets or of specialized hard goods outlets, manufacturing, wholesaling or diverse activities such as the operation of auto repair shops, television stations, etc. The sales volumes reported are total net sales covering all operations unless otherwise noted, and are for the latest fiscal period or period reflecting 1983 volume.

<u>Retail Chain</u>	<u>SALES</u> (Millions of \$)
Amfac, Inc., Honolulu, Hawaii (Retail Group sales: \$330 million, including Liberty House of Hawaii, \$193 million; Liberty House of Calif., \$110 million; 29 VFO stores, \$27 million)	\$ 2,253.1
Alexander's, Inc., New York, N.Y.	516.9
Allied Department Stores, Savannah, Ga.	45.0
Allied Stores Corp., New York, N.Y. (Including specialty stores: Brooks Brothers volume estimated at \$200 million; Plymouth Shops over \$50 million)	3,675.9
Almy Stores Inc., Boston, Mass.	92.0
Ames Department Stores, Inc., Rocky Hill, Conn. (Acquired 42 King's Department Stores in 1983)	647.2
C.R. Anthony & Co., Oklahoma City, Okla.	450.0
Associated Dry Goods Corp., New York, N.Y. (Includes 95 Caldor stores with a volume of \$1.1 billion; 67 Loehmann's at \$295 million; 156 department store units with a volume totaling \$2.4 billion)	3,717.8
Batus Inc., Retail Divisions, New York, N.Y. Volume excluding supermarkets:	3,145.0
L.L. Bean, Freeport, Me. (Retail store volume: \$30 million)	250.0
Belk Stores, Charlotte, N.C.	1,650.0
Bradlees, Braintree, Mass. (Division of The Stop & Shop Companies)	1,182.8
Brooks Fashion Stores, Inc., New York, N.Y.	336.3
Brown Group, Inc., St. Louis, Mo. Specialty Retailing:	299.4
Burlington Coat Factory, Burlington, N.J.	255.3
Beall-Ladymon, Shreveport, La. (Operates 53 general merch. stores)	83.0
Carson Pirie Scott & Co., Chicago, Ill. (Sales of department store division: \$343 million)	877.3
Carter Hawley Hale Stores, Inc., Los Angeles, Calif. (Department store division sales: \$2.4 billion; specialty stores, \$1.2 billion; including Contempo Casuals with sales of \$70 million)	3,632.7
Charming Shoppes, Inc., Bensalem, Pa.	238.4
Clothestime Inc., Anaheim, Calif.	68.3
Danners, Inc. (Three-D), Indianapolis, Ind.	166.1
Dayton Hudson Corp., Minneapolis, Minn. (Includes sales of Mervyn's, \$1.7 billion; Target Stores, \$3.1 billion; the department store division, \$1.4 billion; specialty stores, \$0.7 billion) (Discontinued its Plums discount operation in February 1984)	6,963.3

MAJOR NATIONAL/REGIONAL CHAINS (continued)

Retail Chain	SALES (Millions of \$)
Dillard Department Stores, Inc., Little Rock, Ark. (Includes three department store divisions: Central Division, Fort Worth; Texas-New Mexico Division, San Antonio; Little Rock Division) (Two new divisions--Dillard's-Diamond's, Phoenix and Dillard's-Stix, St. Louis--were added in 1984)	\$ 847.5
Dollar General Corp., Scottsville, Ky.	346.7
Duckwall-ALCO Stores, Inc., Abilene, Kans.	317.1
The Dunlap Co., Fort Worth, Tex.	110.0
Edison Bros. Stores, Inc., St. Louis, Mo. (Apparel specialty store division sales: \$242.0 million)	1,021.5
Elder Beerman Stores Corp., Dayton, Ohio (Department store division: \$209.3 million)	286.8
Evans, Inc., Chicago, Ill. (Fur specialty stores and leased departments)	136.0
Family Dollar Stores, Inc., Charlotte, N.C.	264.4
Federated Department Stores, Inc., Cincinnati, Ohio (Excluding supermarket sales) (Department store division sales: \$6.2 billion in 342 outlets) (Specialty store operations include The Children's Place, 114 stores with a volume of \$103.3 million; Gold Circle, 51 stores with a volume of \$590.1 million)	7,215.9
Frederick's of Hollywood, Hollywood, Calif.	44.3
Gap Stores, Inc., San Bruno, Calif.	480.5
General Mills, Inc., Minneapolis, Minn. (Includes Eddie Bauer, 33 stores in the U.S. and Canada with sales of \$120 million; The Talbots, 33 stores with sales of \$100 million)	
Specialty Retailing Group:	429.1
Gaylords National Corp., Secaucus, N.J.	142.9
Glosser Brothers, Inc., Johnstown, Pa. (Includes Gee Bee discount stores)	252.9
W.R. Grace & Co., New York, N.Y. Apparel Specialty Store Sales:	465.8
HRT Industries, Los Angeles, Calif. (Operates 50 Zody's self-service discount stores)	410.1
Hartmarx (formerly Hart Schaffner & Marx), Chicago, Ill. Retail Store Sales:	538.6
Heck's, Inc., Charleston, W.Va. (operates discount department and shoe stores)	435.1
D.H. Holmes, New Orleans, La.	253.8
Howland-Steinbach-Hochschild, White Plains, N.Y. (Division of Supermarkets General Corp.) (29 stores--In 1984, sold 4 Hochschild Baltimore-area stores)	193.4
Idaho Dept. Store Co., Caldwell, Id.	65.0
Interco Inc., St. Louis, Mo. General Merchandise Store Sales:	693.9

MAJOR NATIONAL/REGIONAL CHAINS (continued)

<u>Retail Chain</u>	SALES (Millions of \$)
JByrons, Miami, Florida (Division of Jack Eckerd Corp.) (Operates 56 junior department stores in Florida)	\$ 220.5
Jacobson Stores Inc., Jackson, Mich.	213.0
Jamesway Corp., Secaucus, N.J.	417.0
K mart Corp., Troy, Mich.	18,597.9
Kline Bros. Co., New York, N.Y.	70.0
Lamont's Apparel Stores, Seattle, Wash. (Division of Pay 'n Save Corp.)	122.0
The Limited Stores, Inc., Columbus, Ohio (Includes Lane Bryant with a volume of \$285 million; Victoria's Secret, estimated at over \$15 million; and a separate catalog operation with a volume of \$200 million)	1,085.9
R.H. Macy & Co., Inc., New York, N.Y.	3,468.1
Manhattan Industries, Inc., New York, N.Y.--Specialty Store Retailing Sales:	138.1
May Department Stores, St. Louis, Mo. (Department store division sales: \$2,988.4 million)	4,211.8
Melville Corp., Harrison, N.Y. (Including Marshall's, \$1,061.5 million in sales; Wilson's, \$61.3 million; Chess King, \$189.5 million; Foxmoor, \$176.0 million; Linens 'n Things, \$79.9 million)	
Apparel specialty store sales:	1,568.2
Mercantile Stores Co., Wilmington, Del.	1,625.9
Merry-Go-Round, Towson, Maryland	111.8
Miller-Wohl Co., Secaucus, N.J.	236.8
Montgomery Ward, Chicago, Ill. (Subsidiary of Mobil Oil) (Sales of Jefferson Ward Stores: \$550 million)	6,003.0
G.C. Murphy Co., McKeesport, Pa.	872.1
B.C. Moore & Sons, Wadesboro, N.C.	60.0
National Shirt Shops, New York, N.Y.	66.7
New Process Co., Warren, Pa.	268.3
S.E. Nichols Inc., New York, N.Y.	277.3
Nordstrom, Inc., Seattle, Wash. (Operates 35 specialty stores)	787.9
Oshman's Sporting Goods, Inc., Houston, Tex.	283.2
Paul Harris Stores, Inc., Indianapolis, Ind.	101.0
J.C. Penney Co., Inc., New York, N.Y. (Consolidated continuing operations only)	12,078.0
Petrie Stores Corp., Secaucus, N.J. (including Winkelman's with a volume of \$108.3 million)	625.6
Phillips-Van Heusen Corp., New York, N.Y.--Apparel Specialty Store Sales:	118.6
H.C. Prange Co., Sheboygan, Wis. (Including PrangeWay Discount Store sales) (Department store sales: \$130 million)	255.0

MAJOR NATIONAL/REGIONAL CHAINS (continued)

<u>Retail Chain</u>	SALES (Millions of \$)
Rapid-American Corp., New York, N.Y. (Including Lerner Stores with sales of \$699 million; McCrory with sales of \$818 million)	\$ 2,444.7
Rose's Stores, Inc., Henderson, N.C.	829.3
Ross Stores, Newark, Calif. (Owned by U.S. Venture Partners)	80.0
Salkin & Linoff Inc., Minneapolis, Minn.	94.0
Schottenstein's Stores Corp., Columbus, Ohio (Including Wieboldt Stores with a volume of \$181.4 million)	355.0
SCOA Industries, Inc., Columbus, Ohio (Includes 99 Hills Department Stores) General Merchandising Division Sales:	1,079.8
Sears, Roebuck & Co., Inc., Chicago, Ill.--U.S. Merchandising Operations:	20,439.0
Sprouse-Reitz Co., Inc., Portland, Ore.	159.1
Strawbridge & Clothier, Philadelphia, Pa. (Including sales of Clover Stores with sales of \$215 million)	545.5
Super Valu Stores, Inc., Minneapolis, Minn. (Including ShopKo Stores with a volume of \$475.1 million; County Seat with a volume of \$195.1 million)	670.2
Syms, New York, N.Y. Retail General Merchandising Operations:	179.2
U.S. Shoe Corp., Cincinnati, Ohio Apparel Specialty Retailing Division:	765.8
Wal-Mart Stores, Inc., Bentonville, Ark.	4,666.9
F.W. Woolworth Co., New York, N.Y. (U.S. Woolworth, \$1,821 million; Richman Bros., \$222 million; J. Brannan, \$71 million; Holtzman's Little Folk Shops, \$33 million)	5,522.0
Weiner's, Houston, Texas	225.0
Younkers, Des Moines, Iowa (Equitable of Iowa Companies)	179.9
Zayre Corp., Framingham, Mass. (Discount department stores: \$1,902.1 million; specialty stores: \$711.5 million)	2,613.7

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
Allied Stores Corporation	New York, N.Y.
Ann Taylor	New York, N.Y.
Block's (William H. Block & Co.)	Indianapolis, Ind.
The Bon (Bon Marche)	Seattle, Wash.
Bonwit Teller	New York, N.Y.
Brooks Brothers	New York, N.Y.
Cain-Sloan	Nashville, Tenn.
Catherine's Stout Shoppe (Plus-Size Stores)	Memphis, Tenn.
Deys	Syracuse, N.Y.
Donaldson's	Minneapolis, Minn.
Garfinckel's	Washington, D.C.
Harzfelds (eliminated in 1984)	Kansas City, Mo.
Heer's	Springfield, Mo.
Herp's	Muskegon, Mich.
Jordan Marsh-New England	Boston, Mass.
Jordan Marsh-Florida	Miami, Fla.
Joske's	Dallas, San Antonio and Houston, Tex.
Levy's	Savannah, Ga.
Maas Brothers	Tampa, Fla.
Miller & Rhoads	Richmond, Va.
Miller's	Knoxville, Tenn.
Muller's	Lake Charles, La.
Plymouth	New York, N.Y.
Pomeroy's	Harrisburg and Levittown, Pa.
Read's	Bridgeport, Conn.
Stern's/Gertz	Paramus, N.J.
Troutman's (A.E. Troutman Co.) (Operation closed in Jan. 1985)	Greensburg, Pa.
Wren's (Edward Wren Stores)	Springfield, Ohio
Almy Stores, Inc. (sold to Stop & Shop Cos. in January 1985)	Brighton, Mass.
Almy's	Brighton, Mass.
Edgar's	Fall River, Mass.
Edwards	Greece and Pittsford, N.Y.
Freese's	Bangor, Maine
Gorin's	Brighton, Mass.
Star Store	New Bedford, Mass.
R.H. White	Worcester, Mass.
Witherill	Camillus, N.Y.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
Amfac, Inc.	Honolulu, Hawaii
Village Fashion Outlets (VFO)	Philadelphia, Pa.
Liberty House of Hawaii	Honolulu, Hawaii
Liberty House of California	Oakland, Calif.
Associated Dry Goods	New York, N.Y.
L.S. Ayres & Co. (merged with Pogue in 1984)	Indianapolis, Ind.
Caldor, Inc.	Norwalk, Conn.
The Denver Dry Goods Co.	Denver, Co.
Goldwater's	Scottsdale, Ariz.
Hahne & Co.	Newark, N.J.
Joseph Horne Co.	Pittsburgh, Pa.
Loehmann's	New York, N.Y.
Lord & Taylor	New York, N.Y.
The H. & S. Pogue Co. (merged with Ayres in 1984)	Cincinnati, Ohio
Powers Dry Goods Co.	Minneapolis, Minn.
J.W. Robinson Co.	Los Angeles, Calif.
Robinson's of Florida	St. Petersburg, Fla.
Sibley, Lindsay & Curr Co.	Rochester, N.Y.
The Stewart Dry Goods Co.	Louisville, Ky.
Stix, Baer & Fuller (sold to Dillard in 1984)	St. Louis, Mo.
Sycamore Specialty Stores	Indianapolis, Ind.
Batus, Inc. (Batus Retail Group)	New York, N.Y.
The Crescent	Spokane, Wash.
Frederick & Nelson	Seattle, Wash.
Gimbels-East	New York, N.Y.
Gimbels-Midwest	Milwaukee, Wis.
Gimbels-Pittsburgh	Pittsburgh, Pa.
Ivey's-Carolinas	Charlotte, N.C.
Ivey's-Florida	Orlando, Fla.
Kohl's Department Stores	Brookfield, Wis.
Marshall Field & Co.	Chicago, Ill.
Saks Fifth Avenue	New York, N.Y.
Thimbles	New York, N.Y.
Carter Hawley Hale Stores, Inc.	Los Angeles, Calif.
Bergdorf Goodman Co.	New York, N.Y.
The Broadway-Southern California	Los Angeles, Calif.
The Broadway-Southwest	Phoenix, Ariz.
Contempo Casuals	Los Angeles, Calif.
Emporium Capwell	San Francisco, Calif.

(continued)

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
Carter Hawley Hale Stores, Inc. (cont'd.)	
Neiman-Marcus	Dallas, Tex.
Thalhimer's	Richmond, Va.
John Wanamaker	Philadelphia, Pa.
Weinstock's	Sacramento, Calif.
Dayton Hudson Corp.	Minneapolis, Minn.
John A. Brown (sold to Dillard in 1984)	Oklahoma City, Okla.
Dayton Hudson Department Stores	Minneapolis, Minn.
Diamond's (sold to Dillard in 1984)	Phoenix, Ariz.
Mervyn's	Hayward, Calif.
Edison Brothers Stores, Inc.	St. Louis, Mo.
Fashion Conspiracy	St. Louis, Mo.
Jeans West/Oak Tree	St. Louis, Mo.
Size 5-7-9 Shops	St. Louis, Mo.
Elder Beerman Stores Corp.	Dayton, Ohio
Elder Beerman Dept. Stores	Dayton, Ohio
Margo's	Dallas, Texas
Spare Change	Dayton, Ohio
Federated Department Stores, Inc.	Cincinnati, Ohio
Abraham & Straus	Brooklyn, N.Y.
Bloomingdale's	New York, N.Y.
Boston Store	Milwaukee, Wis.
Bullock's	Los Angeles, Calif.
Burdine's	Miami, Fla.
The Children's Place	Pine Brook, N.J.
Filene's	Boston, Mass.
Filene's Basement	Boston, Mass.
Foley's	Houston, Texas
Goldsmith's	Memphis, Tenn.
Lazarus	Columbus, Ohio
I. Magnin	San Francisco, Calif.
MainStreet (opened in October 1984)	Bannockburn, Ill.
Rich's	Atlanta, Ga.
Sanger-Harris (including Levy's, Tucson, Ariz.)	Dallas, Tex.
Shillito's/Rike's	Cincinnati, Ohio
General Mills, Inc.	Minneapolis, Minn.
Eddie Bauer	Redmond, Wash.
The Talbots, Inc.	Hingham, Mass.
We Are Sportswear	Costa Mesa, Calif.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
W.R. Grace	New York, N.Y.
Berman's	Brooklyn Park, Minn.
Herman's World of Sporting Goods	Cartaret, N.J.
Shepler's	Wichita, Kans.
Hartmarx (formerly Hart Schaffner & Marx)	Chicago, Ill.
Baskin Clothing Co.	Chicago, Ill.
Ray Beers	Topeka, Kans.
Blackburn's	Amarillo, Tex.
Capper & Capper, Ltd.	Detroit, Mich. and Chicago, Ill.
Country Miss Stores	New York, N.Y.
deJong's	Evansville, Ind.
Field Brothers	New York, N.Y.
Arthur Frank	Salt Lake City, Utah
Frank Brothers	San Antonio, Texas
Hanny's	Phoenix, Ariz.
Hasting's	San Francisco, Calif.
Jack Henry	Kansas City, Mo.
Heyward-Mahon	Greenville, S.C.
J.O. Jones	Charlotte, N.C.
Kleinhans	Buffalo, N.Y.
Klopfenstein's	Seattle, Wash.
Kuppenheimer's	Atlanta, Ga.
Leopold Price & Rolle	Houston, Tex.
Levy-Wolf	Jacksonville, Fla.
Liemandt	Minneapolis, Minn.
Littler's	Seattle, Wash.
Merritt Schaefer & Brown	Austin, Tex.
National Clothing	St. Louis, Mo.
Polo Shop	Seattle, Wash.
Porter-Stevens	New Orleans, La.
Root's	Red Bank, N.J.
Shulman's	Hampton, Va.
Silverwoods	Los Angeles, Calif. and Las Vegas, Nev.
Stevens	Jackson, Miss.
Chas. A. Stevens	Chicago, Ill.
F.R. Tripler & Co.	New York, N.Y.
Walkers	Columbus and Dayton, Ohio
Wallachs	New York, N.Y.
Wallachs of Florida	Miami, Fla.
Jas. K. Wilson	Dallas, Tex.
Wolf Bros.	Tampa, Fla.
Zachry	Atlanta, Ga.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
Interco, Inc.	St. Louis, Mo.
Alberts	Detroit, Mich.
Fine's Men's Shops, Inc.	Norfolk, Va.
Golde's Department Stores	St. Louis, Mo.
United Shirt Distributors, Inc.	Detroit, Mich.
Jack Eckerd Corp.	Clearwater, Fla.
JByrons Department Stores	Miami, Fla.
Eckerd's Apparel, Inc.	Charlotte, N.C.
The Limited, Inc.	Columbus, Oh.
Lane Bryant (merged with Roaman's)	New York, N.Y.
The Limited/Limited Express	Columbus, Oh.
Roaman's (merged with Lane Bryant)	New York, N.Y.
Sizes Unlimited/Smart Size	New York, N.Y.
Victoria's Secret	Columbus, Oh.
R.H. Macy & Co., Inc.	New York, N.Y.
Bamberger's	Newark, N.J.
Macy's Atlanta (consolidation of Davison's & Macy's Midwest)	Atlanta, Ga.
Macy's California	San Francisco, Calif.
Macy's New York	New York, N.Y.
Manhattan Industries, Inc.	New York, N.Y.
Manhattan Factory Outlet	Fairlawn, N.J.
Frost Brothers, Inc.	San Antonio, Tex.
Manhattan Ward, Inc.	Conshohocken, Pa.
The May Department Stores Co.	St. Louis, Mo.
Famous-Barr Co.	St. Louis, Mo.
G. Fox & Co.	Hartford, Conn.
The Hecht Co.	Washington, D.C. and Baltimore, Md.
Kaufmann's	Pittsburgh, Pa.
May-Cohens	Jacksonville, Fla.
The May Co.	Cleveland, Oh.
May Co., California	Los Angeles and San Diego, Calif.
May-D & F	Denver, Co.
Meier & Frank Co.	Portland, Ore.
The M. O'Neil Co.	Akron, Oh.
Stouss	Youngstown, Oh.

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
Melville Corp.	Harrison, N.Y.
Chess King	Worcester, Mass.
Foxmoor	West Bridgewater, Mass.
Linens n' Things (Acquired in April 1983)	Roseland, N.J.
Marshall, Inc.	Woburn, Mass.
Wilson's	Los Angeles, Calif.
Mercantile Stores Co., Inc.	Wilmington, Del.
Bacon's	Louisville, Ky.
Castner-Knott Co.	Nashville, Tenn.
de Landrecies	Fargo, N.D.
Gayfer's/Montgomery Fair	Montgomery, Ala.
C.J. Gayfer & Co.	Mobile, Ala.
Glass Block	Duluth, Minn.
Hennessey's	Billings, Mont.
The Jones Store Co.	Kansas City, Mo.
Joslin's	Denver, Co.
Lion	Toledo, Oh.
McAlpin's	Cincinnati, Ohio & Lexington, Ky.
Root's	Terre Haute, Ind.
J.B. White	Augusta, Ga. & Columbia, S.C.
The Miller-Wohl Co. Inc. (acquired by Petrie Stores Corp. in 1984)	Secaucus, N.J.
Anita's	Secaucus, N.J.
Lizzie B.	Secaucus, N.J.
Jean Nicole	Secaucus, N.J.
Three Sisters	Secaucus, N.J.
Petrie Stores Corp.	Secaucus, N.J.
David's	Secaucus, N.J.
Franklin's	Secaucus, N.J.
G & G Shops	New York, N.Y.
Hartfield's	Secaucus, N.J.
Marianne	Secaucus, N.J.
Petrie's	Secaucus, N.J.
Stuart's	Secaucus, N.J.
Whitney (Acquired in December 1983)	Secaucus, N.J.
Winkelman's (Acquired in January 1984)	Detroit, Mich.
Phillips-Van Heusen Corp.	New York, N.Y.
Hamburger's	Baltimore, Md.
Harris & Frank	Los Angeles, Calif.
Juster's	Minneapolis, Minn.

(continued)

TRADITIONAL DEPARTMENT STORES AND APPAREL STORES
OPERATED BY CONGLOMERATE CORPORATIONS
(continued)

<u>Corporations & Retail Divisions</u>	<u>Location of Headquarter Office or Headquarter Store</u>
Phillips-Van Heusen Corp. (cont'd.)	
Kennedy's	Boston, Mass.
Rices Nachmans (To be sold to Hess's Department Stores, Allentown, Pa.)	Norfolk, Va.
Rapid-American Corp.	New York, N.Y.
Lerner Stores Corp. (acquired Limited in 1985)	New York, N.Y.
McCrory Stores Corp.	New York, N.Y.
U.S. Shoe Corp.	Cincinnati, Oh.
Ups 'n Downs	Enfield, Conn.
August Max	New York, N.Y.
Career Images	Enfield, Conn.
Caren Charles	Enfield, Conn.
Casual Corner	Enfield, Conn.
T.H. Mandy	Merrfield, Va.
The Proving Ground	Enfield, Conn.
J. Riggings	Atlanta, Ga.
Petite Sophisticate	Enfield, Conn.
F.W. Woolworth Co.	New York, N.Y.
Anderson-Little	Fall River, Mass.
J. Brannam	New York, N.Y.
Richman Brothers	Cleveland, Oh.
Susie's Casuals	New York, N.Y.
Woolworth's	New York, N.Y.
Holtzman's Little Folk Shops	City of Industry, Calif.

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1983 Edition available now -- 1984 Edition will be available in February, 1985)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits.

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits.

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SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

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TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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Fairchild Publications, New York**

Consumer Market Developments

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Market Research Division

Audrey S. Balchen, Director

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CONSUMER MARKET DEVELOPMENTS

Current Trends

The current financial situation of American families, and their generally up-beat mood following the best year (1984) of improvement in two decades, indicates that improved consumer spending will continue through late 1985, but retailers face a tough competitive marketplace.

The optimism in consumer sentiment, according to the University of Michigan's Institute for Social Research, is based on the expectation that inflation will continue at low levels, rather than on higher income expectations. This has lead more consumers to consider the purchase of a new home, to buy a new car or to purchase large household durables than noted a year ago--but to spend carefully.

Total disposable personal income has been rising. In January it was up 0.6% on a seasonally adjusted basis compared with December, capping 2 years of strong growth. For the year 1984, real disposable personal income (constant dollars) rose 6.7% compared with 1983. The job market is generally good, and consumer confidence has been bolstered by the stable unemployment rate as well as by the lowered rate of inflation and by lower rates of interest.

By the end of 1984, liquid net worth, according to the senior economist at Morgan Stanley & Company, amounted to 47% of income (compared with a postwar low of 36.5% in 1949), and consumers generally appeared to be in a good position to pay off their rising debt. (In the final quarter of 1984 consumer installment credit relative to income averaged about 17.4%, close to the peak reached in 1979 of 17.4%).

Although consumers spent heavily last year, boosting outlays 8.9%, they also put more money aside. Savings went up by almost 33%, and jumped from 5.0% of disposable income in 1983 to 6.1% in 1984.

The attention of marketers is focused on the record total of young adults, resulting from the big baby-boom years, who are frequently referred to as "Yuppies"--or young, urban, professionals. While many fit this description, and have spending habits that also fit, many other people in the same age bracket do not fit the mold of free-spenders. They have debts--arising from the costs of their educations, or young families, etc. So the market has to be taken in segments, rather than as a homogeneous whole. But even taking these exceptions into consideration, the young adults are having an impact on markets and life styles that is unprecedented.

Spending patterns in the nation are also being influenced by the growing older population, and this trend will continue in the years ahead. The population is aging, and this will become an increasingly important factor in market planning.

POPULATION TRENDS

Births

Fluctuations in population growth rates in the U.S. are primarily the result of changes in fertility rates. Changes in mortality rates and in net immigration play a less important role.

In 1957, the nation's fertility rate (live births per 1,000 women 15 to 44 years of age) reached an all-time high of 122.7, bringing the birth total in that year to a record 4.3 million. The birth rate that year (births per 1,000 population) was 25.2--matching the record high which had been reached in 1954. The annual birthrate declined slightly from 1957 to 1961, after which there was a marked decline, bringing an end to the "baby boom," which started in 1946.

Both birth and fertility rates have declined sharply since their highs. Final figures for 1982, recently issued by the National Center For Health Statistics, show a fertility rate of 67.3 for all races and a birth rate of 15.9. Both measurements were down slightly from 1981. Provisional statistics for 1983 indicate declines of about 3% each in both the fertility and birth rates compared with 1982. The estimated fertility rate of 65.4 in 1983 was the second lowest rate ever recorded in the U.S. (The lowest was in 1976--65.0). In the first nine months of 1984, the fertility rate averaged 66.3, virtually unchanged from the rate in the same 1983 period.

The Census Bureau, U.S. Department of Commerce, which began publishing an annual series of national fertility rates in 1980, bases their rates on women age 18 to 44 years (rather than 15 to 44 as used by the National Center For Health Statistics). According to the Census Bureau, the fertility rate for the U.S. in 1983 was an estimated 73.2 births per 1,000 women 18 to 44 years, and it was reported that this rate had remained stable since 1980. As noted in the table below, fertility rates for the non-white population average much higher than for the white population, but these rates, too, have declined from peak levels.

The final figure on registered births in the U.S. in 1982 was 3,680,000, representing a 1.4% increase over the 1981 total. The estimated total in 1983, 3,614,000, indicated a 1.8% decline compared with 1982 (the first decrease since 1975), but the total of registered live births reported in the first 9 months of 1984 was 1.5% above the total in the same 1983 period.

Live Births in the U.S., Birth Rates & Fertility Rates, 1972-1983

Year	Number (thous.)				Birth Rate*				Fertility Rate**			
	All Races	White	All Other Total#	Black	All Races	White	All Other Total#	Black	All Races	White	All Other Total#	Black
1983(p)	3,614.0	na	na	na	15.5	na	na	na	65.4	na	na	na
1982	3,680.5	2,942.0	738.5	592.6	15.9	14.9	21.9	21.4	67.3	63.9	85.5	84.1
1981	3,629.2	2,908.7	720.6	587.8	15.8	14.8	22.0	21.6	67.4	63.9	86.4	85.4
1980	3,612.3	2,898.7	713.5	589.6	15.9	14.9	22.5	22.1	68.4	64.7	88.6	88.1
1979	3,494.4	2,808.4	686.0	577.9	15.6	14.5	22.2	22.0	67.2	63.4	88.5	88.3

(continued)

POPULATION TRENDS

Births (continued)

Live Births in the U.S., Birth Rates & Fertility Rates, 1972-1983 (continued)

Year	Number (thous.)				Birth Rate*				Fertility Rate**			
	All Races	White	All Other Total#	Black	All Races	White	All Other Total#	Black	All Races	White	All Other Total#	Black
1978	3,333.3	2,681.1	652.2	551.5	15.0	14.0	21.6	21.3	65.5	61.7	87.0	86.7
1977	3,326.6	2,691.1	635.6	544.2	15.1	14.1	21.6	21.4	66.8	63.2	87.7	88.1
1976	3,167.8	2,567.6	600.2	514.2	14.6	13.6	20.8	20.5	65.0	61.5	85.8	85.8
1975	3,144.2	2,552.0	592.2	511.6	14.6	13.6	21.0	20.7	66.0	62.5	87.7	87.9
1974	3,160.0	2,575.8	584.1	507.2	14.8	13.9	21.2	20.8	67.8	64.3	89.8	89.7
1973	3,137.0	2,551.0	585.9	512.6	14.8	13.8	21.7	21.4	68.8	64.9	93.4	93.6
1972	3,258.4	2,655.5	602.8	531.3	15.6	14.5	22.8	22.5	73.1	68.9	99.5	99.6

na not available

(p) provisional (estimated)

* Live births per 1,000 population

** Live births per 1,000 women 15-44 years of age.

Includes races not separately reported, as well as Black.

Source: U.S. Department of Health & Human Services,
National Center for Health Statistics,
Advance Report of Final Natality Statistics
(Vol. 33, No. 6, Sept. 1984)

The declines in measures of fertility between 1982 and 1983 reflect both the sharply reduced rate of growth in the number of women in the childbearing ages and apparent declines in at least some of the age-specific birth rates. Between 1982 and 1983 there was an increase of just 1% in the number of women age 15-44, but the increases were at the older end of the scale. The number of women 15-19 years declined 3%, women age 20-24 years declined about 1% in number. Women under 25 accounted for nearly half of all births in 1981.

According to recent projections by the U.S. Census Bureau, the number of women in the childbearing ages will increase very slightly and then stabilize through the late 1980's. While there has been an increase in births among women in their 30's--a group that has established their careers and now want to have children--little or no change can be expected in the annual number of births unless some of the apparent declines in age-specific birth rates are reversed.

POPULATION TRENDS

Births (continued)

Births Per 1,000 Women: June 1980 & June 1983

<u>Age of Women</u>	<u>1983</u>	<u>1980</u>	<u>% Change 1980-83</u>
18 - 44 years	73.2	71.1	+ 2.1%
18 - 24	96.6	96.6	--
25 - 29	121.0	114.8	+ 6.2
30 - 34	69.1	60.0	+ 9.1
35 - 39	27.5	26.9	+ 9.6
40 - 44	8.9	9.9	- 1.0

Source: U.S. Bureau of the Census,
Current Population Reports, Series P-20, No. 386

Current levels of anticipated childbearing reflect progressive declines. For currently married women who were 18 to 34 years old at each survey date, lifetime birth expectations declined sharply from an average of 3.1 per married woman in 1967 to 2.6 in 1971 to 2.2 births per married woman in 1979, and 2.1 in 1983.

Women 30 to 34 years averaged 13.8 first births per 1,000 women in 1983, up from 12.8 in 1980, according to the Census Bureau. First births among those 35 to 39 rose to 5.2 per 1,000, up from 3.6 in 1980. Among women 30 to 44 who had children in 1983, 40% were employed; for women 18 to 29 only 33% who bore children during the year held jobs outside the home. Only 10% of the younger mothers had family incomes of more than \$35,000, compared with one-fourth of their older counterparts. Of the 30 to 44 year old mothers, 49% had completed at least one year of college compared with only 27% of the younger mothers.

The data suggests that the initial home environment differs substantially for children born to women under 30 compared with children born to older women, the latter group of women characterized as being more highly educated, in a professional or managerial occupation, and with a higher family income.

The most recent data on total births by age of mother, covering 1982, show the strong trend to a growing share among older women.

Distribution of Births by Age of Mother, 1978-1982

	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>
Total births	100.0%	100.0%	100.0%	100.0%	100.0%
Age of mother:					
Under 20 years	14.2	14.8	15.6	16.0	16.6
20 to 24 years	32.8	33.4	33.9	34.0	34.2
25 to 29 years	31.3	31.1	30.7	30.6	30.5
30 to 34 years	16.4	16.0	15.2	14.8	14.2
35 & older	5.3	4.7	4.6	4.6	4.5

Source: U.S. Dept. of Health & Human Services,
National Center For Health Statistics

POPULATION TRENDS

Births (continued)

Besides the increasingly upscale profile of the new-mother/baby market, another factor of importance to marketers of infants' apparel and equipment is the trend in birth order. First-born require a greater outlay of money, later children are outfitted with some hand-me-downs. In 1982, first-born children accounted for a peak share of total births--42.3%, up from 39.6% in 1972. About 11% of the first-born children in 1982 had mothers who were 30 years of age or older (the most affluent group), compared with 8% in 1979, 4% in 1971.

Birth Orders As Percent of Total Births, 1972-1982

	<u>1982</u>	<u>1979</u>	<u>1972</u>
Total births	100.0%	100.0%	100.0%
Birth order:			
First	42.3	42.3	39.6
Second	32.4	32.0	28.5
Third	15.1	15.0	14.1
Fourth & higher	9.7	10.7	15.0
Not stated	0.5	--	2.8

Source: U.S. Dept. of Health & Human Services,
National Center For Health Statistics.

Fertility rates within the U.S. vary considerably on a geographic basis. In 1982, rates for the nine geographic divisions ranged from 56.4 live births per 1,000 women aged 15-44 (New England) to 82.4 (Mountain). The rates in the West North Central, West South Central, Mountain, and Pacific Divisions were all higher than the rate for the United States (67.3). The rates in the remaining five divisions were lower than the U.S. rate.

Fertility rates by State varied widely, ranging from 54.4 (Massachusetts) to 115.4 (Utah). Rates were higher than the U.S. rate for 25 States and lower for 25 States and the District of Columbia.

Live Births by Race of Child, Birth Rates & Fertility Rates U.S. & Nine Geographic Divisions, 1982

	<u>Number (000)</u>			<u>Rate</u>	<u>Fertility Rate</u>
	<u>Total (all races)</u>	<u>White</u>	<u>Black</u>		
United States	3,680,537	2,942,054	592,641	15.9	67.3
New England	167,590	152,686	11,543	13.5	56.4
Middle Atlantic	507,874	401,551	94,178	13.8	59.1
East North Central	644,997	536,285	98,025	15.5	65.7
West North Central	283,347	254,758	19,287	16.3	71.5
South Atlantic	563,055	389,704	163,900	14.7	62.3
East South Central	230,202	165,828	62,488	15.5	66.4
West South Central	476,519	376,671	85,527	18.9	79.9
Mountain	236,516	211,575	7,769	19.6	82.4
Pacific	570,437	452,996	49,924	17.2	71.5

Source: U.S. Dept. of Health & Human Services,
National Center For Health Statistics.

POPULATION TRENDS

Births (continued)

The ratio of male births per 1,000 female births in the U.S. has ranged between 1,051 and 1,055 since 1968 (in 1982 it was 1,051). There has been a consistent pattern in the monthly occurrence of births for many years, with the peak months generally August or September. Birth and fertility rates in 1983 and in 1982 were considerably higher in the first 6 months of the year than in the last 6 months, on a seasonally adjusted basis.

Percent Distribution of Registered Live Births By Months, 1982, 1983

	<u>1983</u>	<u>1982</u>
Total births	100.0%	100.0%
January	8.5	8.1
February	7.5	7.5
March	8.6	8.3
April	7.9	7.9
May	8.3	8.3
June	8.2	8.4
July	9.1	8.9
August	8.9	8.9
September	8.6	8.9
October	8.5	8.5
November	7.9	8.0
December	8.0	8.2

Source: U.S. Dept. of Health & Human Services,
National Center for Health Statistics.

Total Population

At the start of 1985, an estimated 237.2 million people--10.7 million more than were counted in the April 1980 census--were living in the United States. This was 2.1 million higher than the 1984 New Year's Day figure. The record for net population growth in a single year is 3.1 million, recorded during the baby-boom year of 1957. The total U.S. population was then about 168 million.

The U.S. resident population increased 0.9% in 1984 and 1.0% in 1982 and 1981. In contrast, the annual rate of increase during the peak years of the baby boom (1946-61) ranged from 1.6% to 1.9%.

Including the Armed Forces overseas, the total population as of July 1, 1984 was 236.6 million, an increase of 8.9 million (3.9%) over the total on July 1, 1980 and 2.1 million (0.9%) over the total on July 1, 1983.

POPULATION TRENDS

Total Population (continued)

Estimates of the Population by Type, July 1, 1970-1984
(In Thousands)

	Total Population Including Armed Forces Overseas	Resident Population	Civilian Population
As of July 1			
1984	236,634	236,108	234,395
1983	234,496	233,981	232,286
1982	232,309	231,786	230,117
1980	227,738	227,236	225,632
1970	205,052	203,984	201,895

Source: U.S. Bureau of the Census,
Current Population Reports, Series P-25, No. 959

Age Structure of the Population

The age structure of the population today is determined primarily by the size of the birth cohorts since the turn of the century. As noted in the previous data covering Births, the trend of declining births was reversed in 1976 and gains were registered each year through 1982. This has resulted in an increase in the population under 5 years of age, which totaled 17.8 million as of July 1, 1983--the largest number for this age group since 1968 (17.9 million). The increase is almost entirely due to the rise in the number of women in their prime childbearing years, however, as the total fertility rate has changed very little since 1975.

The young school-age group (5 to 13 years of age) declined 3.3%, from 31.2 million to 30.1 million from April 1, 1980 to July 1, 1983. This group has been affected by both the long-term decline in births and the recent reversal of this trend (which did not, however, hold up in 1983 and 1984, according to preliminary estimates). Reversing the steady decline in the size of this group since 1970, increases will now be registered as the large number of 1-to-4 year olds advances to this group.

The population 14 to 17 years of age has declined by almost 10% since 1980--much faster than any other age group. This group peaked in 1975 at 17.1 million. Since 1980, the high school population has declined from 16.2 million to 14.6 million in 1983.

During the 1960's and 1970's, the 18-to-24-year-old group registered enormous gains as the baby-boom cohorts entered the age group. This group has now begun to decline, and this will continue for years to come.

POPULATION TRENDS

Age Structure of the Population (continued)

The population 24 to 44 years of age grew significantly between 1980 and 1983, increasing from 37.3 million to 40.3 million (8.3%). The fastest growth (14.8%), from 25.7 million to 29.5 million, occurred in the 35-to-44-year-old age group, as the smaller pre-World War II birth cohorts were replaced by the much larger post-World War II birth cohorts at the beginning of the baby boom. The 35-to-44-year-olds will continue to be the fastest growing of the age groups for some time.

From 1980 to 1983, the 45-to-54-year-old group declined by almost 500,000, or by 2.0%. This decline should continue for the next few years as the Depression birth cohorts continue to replace their pre-Depression counterparts. The population in ages 55 to 64 rose by 2.4%, from 21.7 million to 22.2 million. This age group will begin to stabilize and then decline in the next few years as the Depression babies begin to move into those ages.

Senior citizens continue to experience significant growth in their ranks, especially those over 75 years of age. The population 75 to 84 years of age grew by 10.2%, while those 85 years and over grew by 11.7%. The population age 65 to 74 years increased 5.0%.

The continued aging trend in the U.S. population is reflected in the change in the median age. Between 1980 and 1983, the median age rose 0.9 years, from 30.0 to 30.9 years. In 1970, the median was 27.9 years. This aging trend is expected to continue as the early baby-boom generations head toward middle age.

Trends in Population By Sex

Births of male babies outnumber females, and males dominate in the population up until about age 29, after which females predominate due to the higher death rates among males. Among Non-Whites, females begin to outnumber males at about age 22.

While the ratio of older people to younger people is expected to widen in the years ahead, the gap in the number of females to males will narrow. By 2050, according to a recent study issued by the Metropolitan Life Insurance Co., the gap in the number of females to males will narrow. By 2050, according to this study, there will be just 200,000 more women than men age 25 to 64 compared with an estimated 58.5 million women to 55.9 million men at the present time.

POPULATION TRENDS

Population By Age & Sex

Distribution of the Resident Population By Age & By Sex, July 1, 1980, 1983

	Number (000)		% Distribution		% Change 1983/1980
	1983	1980(r)	1983	1980	
Total all ages	233,981	227,236	100.0%	100.0%	+ 3.0%
Under 5 years	17,826	16,459	7.6	7.2	+ 8.3
5 to 9 years	15,981	16,600	6.8	7.3	- 3.7
10 to 14 years	17,781	18,230	7.6	8.0	- 2.5
15 to 24 years	40,884	42,493	17.5	18.7	- 3.8
25 to 34 years	40,146	37,426	17.2	16.5	+ 7.3%
35 to 44 years	29,423	25,824	12.6	11.4	+ 13.9
45 to 54 years	22,336	22,732	9.5	10.0	- 1.7
55 to 64 years	22,219	21,759	9.5	9.6	+ 2.1
65 & over	27,384	25,713	11.7	11.3	+ 6.5
Median age	30.9	30.0	--	--	+ 0.9 years
Male population, total	113,714	110,413	100.0%	100.0%	+ 3.0%
Under 5 years	9,121	8,418	8.0	7.6	+ 8.3
5 to 9 years	8,174	8,490	7.2	7.7	- 3.7
10 to 14 years	9,091	9,309	8.0	8.4	- 2.3
15 to 24 years	20,700	21,437	18.2	19.4	- 3.4
25 to 34 years	19,984	18,567	17.6	16.8	+ 7.6
35 to 44 years	14,465	12,669	12.7	11.5	+ 14.2
45 to 54 years	10,810	10,981	9.5	9.9	- 1.5
55 to 64 years	10,379	10,176	9.1	9.2	+ 2.0
65 & over	10,992	10,367	9.7	9.4	+ 6.0
Median age	29.6	28.9	--	--	+ 0.7 years
Female population, total	120,267	116,823	100.0%	100.0%	+ 2.9%
Under 5 years	8,705	8,041	7.2	6.9	+ 8.3
5 to 9 years	7,807	8,110	6.5	6.9	- 3.7
10 to 14 years	8,690	8,921	7.2	7.6	- 2.6
15 to 24 years	20,184	21,056	16.9	18.0	- 4.1
25 to 34 years	20,162	18,860	16.8	16.1	+ 6.9
35 to 44 years	14,959	13,155	12.4	11.3	+ 13.7
45 to 54 years	11,526	11,752	9.6	10.1	- 1.9
55 to 64 years	11,841	11,584	9.8	9.9	+ 2.2
65 & over	16,392	15,346	13.6	13.1	+ 6.8
Median age	32.2	31.3	--	--	+ 0.9 years

(r) revised

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 949 (May 1984)

POPULATION TRENDS

Trends in Population By Race

Total Population of the U.S. Including Armed Forces Overseas
July 1, 1980, 1983
(In Thousands)

	<u>Total</u>	<u>White</u>	<u>Black & Other Races</u>	<u>Black</u>
1983	234,496	199,887	34,609	28,215
1980	227,738	195,549	32,189	26,905

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 949 (May 1984)

From 1980 to 1983, the total population of the U.S., including Armed Forces overseas, increased 3.3%. In this same period, the White population gained 2.5% and the Black population increased 5.3%. The 28.2 million Blacks in the population represented 12% of the total, up from 11% in 1970. A high fertility rate is the primary reason for the faster gain in the Black population. The proportion who are under 20 years of age is much larger than for Whites, and the Black median age in 1983 was 25.8 (up from 24.8 years in 1980). Higher mortality and shorter life spans are also factors in the younger median age for Blacks.

Races other than White and Black grew in number from 5.2 million to 6.4 million between 1980 and 1983 (up 23.6%), primarily due to immigration, and Asians were the predominant race in this group.

The number of Hispanics in the U.S. population (which may include people included in either the White or Black counts) has been estimated by Strategy Research Corp. at 16.9 million (not including Puerto Rico), as of 1984. Over a third are under the age of 18.

Further details on the racial composition of the U.S. population (resident) were covered in detailed reports issued by the Census Bureau covering the 1980 population census.

Persons of Spanish origin jumped 61.0% in number to 14.6 million in the ten year period, 1970-1980. Hispanics of Mexican descent accounted for 60% of the Spanish population in 1980, 14% were Puerto Rican, 5% Cuban and 21% were of miscellaneous Spanish origins.

POPULATION TRENDS

Trends in Population By Race (continued)

Race & Spanish Origin of the Resident Population of the U.S., April 1, 1970 & 1980

	Number (000)		% Distribution		Median Age (Years)	
	1980	1970	1980	1970	1980	1970
Total, all races	226,546	203,212	100.0%	100.0%	30.0	28.1
White	188,372	177,749	83.1	87.5	31.3	28.9
Black	26,495	22,580	11.7	11.1	24.9	22.2
American Indian, Eskimo, Aleut	1,420	827	0.6	0.4	22.3	nr
Asian & Pacific Islander	3,424	1,539	1.5	0.8	28.7	nr
Other races	6,758	517	3.0	0.3	nr	nr
Persons of Spanish Origin*	14,609	9,073	6.4	4.5	23.2	nr
White	8,115	8,466	3.6	4.2	nr	nr
Black	391	455	0.2	0.2	nr	nr
Other races	6,103	152	2.7	**	nr	nr

nr not reported

* Persons of Spanish origin may be of any race. A much larger proportion of the Spanish population in 1980 than in 1970 reported their race as "other." In 1970, 93% of Spanish origin persons classified themselves as white compared with 56% in 1980. As a consequence, the "white" and "other races" categories are not exactly comparable.

** Less than 0.1%.

Source: U.S. Bureau of the Census
1980 Census of Population
U.S. Summary PC80-1-B1

According to Sales & Marketing Management's 1984 Survey of Buying Power, about one-third of the Black population lived in 10 major Metropolitan Areas in 1983.

Leading Black Metros, 1983

<u>Metro Market</u>	<u>1983 Black Population (thous.)</u>	<u>% of Met. Area Total Population</u>
1. New York	2,012.8	24.4%
2. Chicago	1,378.1	22.9
3. Los Angeles-Long Beach	992.1	12.9
4. Philadelphia	898.3	19.0
5. Washington	885.3	26.3
6. Detroit	864.5	19.9
7. Houston	612.0	19.4
8. Baltimore	566.1	25.2
9. Atlanta	555.4	23.9
10. New Orleans	433.8	32.6

Source: Sales & Marketing Management Magazine, July 23, 1984

POPULATION TRENDS

Trends in Population By Race (continued)

The Hispanics population is very highly concentrated in a few market areas. According to the 1980 census of population, 73% lived in just five States. According to estimates compiled by Sales & Marketing Management Magazine, about 63% of the Hispanic population in 1983 resided in 25 metro areas.

<u>State</u>	1980 Hispanic Population (thousands)	<u>Majority Type</u>
California	4,541.3	80% Mexican
Texas	2,982.6	92% Mexican
New York	1,660.6	59% Puerto Rican
Florida	858.1	55% Cuban
Illinois	634.6	64% Mexican
5-State Total	10,677.2	

Source: U.S. Bureau of the Census,
1980 Census of Population

The ethnic types represented in the total U.S. Hispanic market in 1980, according to the census of population, were as follows: Mexican, 59.4%; Puerto Rican, 13.7%; Cuban, 5.5%; other Spanish, 21.3%.

Population Projections

The U.S. population will grow more slowly from now on and will virtually cease to grow half way through the next century, according to projections by the U.S. Census Bureau released in mid-1984.

The report shows that the Nation is about to start aging rapidly. The median age of the total population, including Armed Forces overseas, rose from 29.4 years in 1960 to an all-time high estimated at 31.1 years in 1984. The median in 2000, assuming a small rise in fertility, steady increases in life expectancy, and that net legal immigration will remain at recent levels, is projected at 36.3 years, and at 40.8 years for the year 2030.

Most growth over the next century will occur in the next 50 years, with the total population rising from 232 million in 1982 to an estimated 305 million by 2030. From 2030 to 2080 the growth will total less than 6 million, according to Census Bureau middle-range projections.

The ratio of the working-age population, those 18 to 64, to the retirement age population will begin an unprecedented decline. For every person 65 or older in 1982, the Nation had 5.3 people of working age. The ratio will drop to 4.7 in 2000, to 2.7 in 2030 and to 2.4 in 2080.

POPULATION TRENDS

Population Projections (continued)

The total population aged 18 to 24, at an all-time high of 29.5 million in 1984, will drop over 18% to 24.1 million by 1994 as the baby-boom generation continues to age, then rebound to about 24.5 million in 2000, and to 28 million by 2010.

The greatest numerical growth in the near future will be in the 30-to-44-year-age group--from 50.2 million in 1984 to 63.3 million by 1994 (a gain of 26%).

The Non-White proportion of the population will rise from 14.5% in 1982 to 16.9% in 2000, to 20.7% in 2030 and 25.5% in 2080. The Black proportion of the Non-White population will drop from about 90% in 1970 and 82.5% in 1982 to about 80% in 2000, and continue to decline after that.

Overall, on the basis of the middle of three series of projections compiled by the Census Bureau, the total population including Armed Forces overseas is projected to gain almost 17% in the next 10 years, increasing from 236.4 million in 1984 to 257.7 million in 1994.

Population Projections - 1984, 1994, 2005
(Middle Series*)

	Number (Thousands)			% Change 2005/ 1984	Percent Distribution		
	1984	1994	2005		1984	1994	2005
Total, all ages	236,416	257,714	275,677	+ 16.6%	100.0%	100.0%	100.0%
Under 5 years	18,232	18,823	17,449	- 4.3	7.7	7.3	6.3
5 to 9 years	16,219	19,281	17,772	+ 9.6	6.9	7.5	6.5
10 to 15 years	20,944	21,991	22,865	+ 9.2	8.9	8.5	8.3
16 years & over	181,021	197,619	217,591	+ 20.2	76.5	76.7	78.9
16 - 19	15,009	13,138	15,765	+ 0.5	6.3	5.1	5.7
20 - 34	62,726	58,792	54,122	- 13.7	26.5	22.8	19.6
35 - 54	53,090	71,389	82,018	+ 54.5	22.4	27.7	29.7
55 - 64	22,210	20,793	29,459	+ 32.6	9.4	8.1	10.7
65 & over	27,986	33,507	36,227	+ 29.4	11.8	13.0	13.1
Median age (years)	31.1	34.3	37.6	+ 20.9	--	--	--

* Middle in a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census,
Current Population Reports
Series P-25, No. 952 (May 1984)

POPULATION TRENDS

Population Projections (continued)

U.S. Population by Single Years of Age
(Infants, Children, Youths) & Older Groups
 Middle Series Projections* - 1984, 1994

(Numbers in thousands)

	Total		Male		Female	
	1984	1994	1984	1994	1984	1994
Total, all ages	236,416	257,714	115,073	125,464	121,343	132,251
Under 5 years	18,232	18,823	9,329	9,635	8,904	9,188
Under 1 year	3,734	3,671	1,912	1,880	1,822	1,792
1 year	3,684	3,721	1,886	1,905	1,798	1,816
2 years	3,646	3,770	1,865	1,930	1,781	1,840
3 years	3,598	3,814	1,841	1,952	1,757	1,862
4 years	3,570	3,847	1,825	1,969	1,745	1,878
5 to 9 years	16,219	19,281	8,296	9,866	7,924	9,415
5 years	3,367	3,868	1,723	1,979	1,645	1,888
6 years	3,237	3,874	1,655	1,982	1,582	1,892
7 years	3,254	3,867	1,664	1,979	1,589	1,888
8 years	3,150	3,849	1,610	1,970	1,539	1,880
9 years	3,211	3,823	1,643	1,956	1,568	1,867
10 to 14 years	17,295	18,552	8,845	9,487	8,450	9,064
10 years	3,142	3,788	1,607	1,938	1,535	1,850
11 years	3,269	3,746	1,671	1,916	1,598	1,829
12 years	3,391	3,711	1,734	1,898	1,657	1,814
13 years	3,746	3,666	1,916	1,875	1,829	1,791
14 years	3,748	3,640	1,917	1,860	1,831	1,780
15 to 19 years	18,658	16,577	9,516	8,470	9,143	8,107
15 years	3,649	3,439	1,863	1,758	1,786	1,681
16 years	3,563	3,309	1,818	1,691	1,744	1,618
17 years	3,652	3,326	1,861	1,700	1,791	1,626
18 years	3,774	3,221	1,926	1,645	1,848	1,596
19 years	4,020	3,282	2,047	1,676	1,973	1,606
20 to 24 years	21,706	17,636	11,018	8,974	10,689	8,662
25 to 29 years	21,527	19,059	10,803	9,631	10,724	9,429
30 to 34 years	19,493	22,097	9,701	11,120	9,792	10,977
35 to 39 years	17,056	21,742	8,433	10,841	8,623	10,901
40 to 44 years	13,679	19,491	6,715	9,639	6,964	8,592
45 to 64 years	44,565	52,322	21,202	25,192	23,362	27,130
65 & over	27,986	33,507	11,217	13,302	16,768	20,205

* Middle in a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 952 (May 1984)

POPULATION TRENDS

Population Projections (continued)

As previously noted, the biggest growth in the next 10 years will be in the population 30 to 44. This is very good for marketers of many types of consumer goods, as well as housing and services. This age bracket includes the bulk of the population in new households, those building new homes and those raising families. A high percentage are in two-income households, representing an increasingly affluent market.

This affluence gives the group an even greater importance in the marketplace, beyond their growing numbers, and it is therefore worthy of special attention. As the baby boomers age, the older end of the 30-to-44-year-age group will be showing the greatest growth. By 1994, the population 40 to 44 years of age is expected to register an increase of 42.5% compared with 1984; those age 35 to 39 years will gain 27.5%; the population 30 to 34 years will rise 13.3%.

The population in the 30-to-44-year-age group will represent about one-fourth of the total U.S. population in 10 years, compared with 21.2% in 1984.

Population By Regions & States

The West and South have dominated population growth in the U.S. in the current decade, representing 94% of the nation's 7.4 million gain between 1980 and 1983. According to provisional projections of the population of States, issued by the U.S. Census Bureau in 1983, patterns of growth noted for the 1980's will continue for the remainder of the century.

Regionally, the West will continue to be the fastest growing region of the country, with population increasing 22.2% from 1980 to 1990, and 18.1% from 1990 to 2000. Following the West, the South will maintain its pace as the second fastest growing region, increasing by 15.9% from 1980 to 1990, and 12.8% from 1990 to 2000. However, the South will add more people than any other region, increasing its population size by almost 24 million between 1980 and 2000. By 2000, 37% of the population will live in the South, 23% in the West.

The North Central region, projected to grow only 2% in this decade, will not grow in the 1990's. The Northeast will continue to lose population, declining 1.7% from 1980 to 1990, and more than 4% from 1990 to 2000.

New Hampshire and Florida are the only states east of the Mississippi that will grow at more than twice the U.S. rate, while 10 states west of the Mississippi will grow that fast. Nevada is projected to grow most rapidly on a percentage basis (59% in 1980-90 and more than 50% in 1990-2000), followed by Wyoming, Arizona and Utah. Florida, California and Texas will add the most people by the end of this century, each increasing by 6 million from 1980 to 2000. California will have 11% of the population by the end of the century and continue to be the largest state.

Overall, the 65 and older population will increase from 11.2% of the total in 1980 to 13.1% in 2000. The Northeast will continue to have the oldest age distribution, with about 15% of its population aged 65 and over. The West will have the youngest age distribution, with only 11% of its population over 65, and over 22% below age 15, 45% between the ages of 15 and 44.

POPULATION TRENDS

Population By Regions & States (continued)

Compared with the age distribution of the U.S., as a whole, the South will have a greater proportion of elderly and lower proportions of persons age 15 to 44. The North Central Region will have a higher proportion of its population below age 15. Thus these two regions will have the highest dependency ratios (persons under 15 and over 64 divided by persons 15 through 64) in the year 2000.

Projections of the Population of Regions, by Age: 1980 to 2000
(In Thousands)

TOTAL RESIDENT POPULATION	Total	Under 15 Years	15 to 44 Years	45 to 64 Years	65 Years & Over
April 1, 1980	226,505	51,282	105,181	44,497	25,544
U.S. total					
Northeast	49,137	10,383	22,151	10,531	6,072
North Central	58,854	13,610	27,072	11,481	6,691
South	75,349	17,451	34,978	14,436	8,483
West	43,165	9,838	20,980	8,049	4,298
July 1, 1990					
U.S. total	249,203	54,575	116,354	46,474	31,799
Northeast	48,423	9,441	22,293	9,778	6,912
North Central	60,265	13,629	27,791	11,190	7,656
South	87,594	19,255	40,635	16,301	11,403
West	52,920	12,250	25,636	9,205	5,829
July 1, 2000					
U.S. total	267,462	55,900	115,660	60,866	35,036
Northeast	46,401	8,677	19,626	11,271	6,828
North Central	59,714	12,856	25,590	13,505	7,763
South	98,828	20,544	42,272	22,430	13,582
West	62,519	13,823	28,172	13,660	6,864
PERCENT OF U.S. TOTAL					
1980					
U.S. total	100.00	100.00	100.00	100.00	100.00
Northeast	21.69	20.25	21.06	23.67	23.77
North Central	25.98	26.54	25.74	25.89	26.20
South	33.27	34.03	33.26	32.44	33.21
West	19.06	19.18	19.95	18.09	16.82
1990					
U.S. total	100.00	100.00	100.00	100.00	100.00
Northeast	19.43	17.30	19.16	21.04	21.74
North Central	24.18	24.97	23.88	24.08	24.07
South	35.15	35.28	34.92	35.08	35.86
West	21.24	22.45	22.03	19.81	18.33
2000					
U.S. total	100.00	100.00	100.00	100.00	100.00
Northeast	17.35	15.52	16.97	18.52	19.49
North Central	22.33	23.00	22.12	22.19	22.16
South	36.95	36.75	36.55	36.85	38.77
West	23.38	24.73	24.36	22.44	19.59

Source: U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 937

POPULATION TRENDS

Population By Regions & States (continued)

The Resident Population of States, 1980, 1984 & Projected to 2000
 (Numbers in thousands)

	1980	1984	1990	2000	Percent Distribution		
					1980	1990	2000
U.S. total	226,505	236,158	249,203	267,461	100.00	100.00	100.00
New England	12,348	12,577	12,733	12,775	5.45	5.11	4.78
Maine	1,125	1,156	1,229	1,308	0.50	0.49	0.49
New Hampshire	921	977	1,139	1,364	0.41	0.46	0.51
Vermont	511	530	575	625	0.23	0.23	0.23
Massachusetts	5,737	5,798	5,704	5,490	2.53	2.29	2.05
Rhode Island	947	962	951	926	0.42	0.38	0.35
Connecticut	3,108	3,154	3,136	3,062	1.37	1.26	1.14
Middle Atlantic	36,788	37,151	35,690	33,625	16.24	14.32	12.57
New York	17,557	17,735	16,457	14,990	7.75	6.60	5.60
New Jersey	7,364	7,515	7,513	7,428	3.25	3.01	2.78
Pennsylvania	11,867	11,901	11,720	11,208	5.24	4.70	4.19
East North Central	41,670	41,601	42,372	41,647	18.40	17.00	15.57
Ohio	10,797	10,752	10,763	10,357	4.77	4.32	3.87
Indiana	5,490	5,498	5,679	5,679	2.42	2.28	2.12
Illinois	11,418	11,511	11,502	11,187	5.04	4.62	4.18
Michigan	9,258	9,075	9,394	9,208	4.09	3.77	3.44
Wisconsin	4,705	4,766	5,033	5,215	2.08	2.02	1.95
West North Central	17,184	17,515	17,894	18,067	7.59	7.18	6.76
Minnesota	4,077	4,162	4,358	4,489	1.80	1.75	1.68
Iowa	2,914	2,910	2,983	2,972	1.29	1.20	1.11
Missouri	4,917	5,008	5,077	5,080	2.17	2.04	1.90
North Dakota	653	686	678	682	0.29	0.27	0.25
South Dakota	691	706	698	688	0.30	0.28	0.26
Nebraska	1,570	1,606	1,640	1,662	0.69	0.66	0.62
Kansas	2,363	2,438	2,463	2,494	1.04	0.99	0.93
South Atlantic	36,943	39,450	43,144	48,975	16.31	17.31	18.31
Delaware	595	613	630	638	0.26	0.25	0.24
Maryland	4,216	4,349	4,491	4,582	1.86	1.80	1.71
District of Columbia	638	623	501	376	0.28	0.20	0.14
Virginia	5,346	5,636	5,961	6,389	2.36	2.39	2.39
West Virginia	1,950	1,952	2,037	2,067	0.86	0.82	0.77
North Carolina	5,874	6,165	6,473	6,868	2.59	2.60	2.57
South Carolina	3,119	3,300	3,560	3,907	1.38	1.43	1.46
Georgia	5,464	5,837	6,175	6,708	2.41	2.48	2.51
Florida	9,740	10,976	13,316	17,438	4.30	5.34	6.52

(continued)

POPULATION TRENDS

Population By Regions & States (continued)

The Resident Population of States, 1980, 1984, & Projected to 2000
(Numbers in thousands)
(continued)

	1980	1984	1990	2000	Percent 1980	Distribution 1990	2000
East South Central	14,663	15,028	16,121	17,174	6.47	6.47	6.42
Kentucky	3,661	3,723	4,073	4,400	1.62	1.63	1.65
Tennessee	4,591	4,717	5,073	5,420	2.03	2.04	2.03
Alabama	3,890	3,990	4,214	4,415	1.72	1.69	1.65
Mississippi	2,521	2,598	2,761	2,939	1.11	1.11	1.10
West South Central	23,743	26,098	28,329	32,679	10.48	11.37	12.22
Arkansas	2,285	2,349	2,580	2,835	1.01	1.04	1.06
Louisiana	4,204	4,462	4,747	5,160	1.86	1.90	1.93
Oklahoma	3,025	3,298	3,503	3,944	1.34	1.41	1.47
Texas	14,228	15,989	17,498	20,739	1.68	7.02	7.75
Mountain	11,368	12,553	15,404	20,140	5.02	6.18	7.53
Montana	787	824	888	963	0.35	0.36	0.36
Idaho	944	1,001	1,214	1,512	0.42	0.49	0.57
Wyoming	471	511	701	1,002	0.21	0.28	0.37
Colorado	2,889	3,178	3,755	4,657	1.28	1.51	1.74
New Mexico	1,300	1,424	1,536	1,727	0.57	0.62	0.65
Arizona	2,718	3,053	3,994	5,583	1.20	1.60	2.09
Utah	1,461	1,652	2,040	2,777	0.65	0.82	1.04
Nevada	799	911	1,275	1,919	0.35	0.51	0.72
Pacific	31,797	34,184	37,516	42,379	14.04	15.05	15.84
Washington	4,130	4,349	5,012	5,833	1.82	2.01	2.18
Oregon	2,633	2,674	3,319	4,025	1.16	1.33	1.50
California	23,669	25,622	27,526	30,613	10.45	11.05	11.45
Alaska	401	500	522	631	0.18	0.21	0.24
Hawaii	965	1,039	1,138	1,278	0.43	0.46	0.48

Source: U.S. Bureau of the Census, News Release (Dec. 28, 1984)
& P-25, No. 937

Metropolitan - Nonmetropolitan Markets

Continuing the long-term trend, the percentage of the U.S. population living on farms dropped from 4.8% of the total in 1970 to 2.4% by 1982. (Part of this sharp drop was due, however, to a change in definition of the farm population.)

Meanwhile, the movement of population out of the central cities of metropolitan areas to the suburbs and to nonmetropolitan areas has continued.

POPULATION TRENDS

Metropolitan - Nonmetropolitan Markets (continued)

Population of the U.S. by Metropolitan-Nonmetropolitan Residence By Race & By Spanish Origin, 1970, 1982

<u>1970</u>	<u>All Races</u>	<u>White</u>	<u>Black</u>	<u>Spanish Origin*</u>
Total**(thousands)	199,819	175,276	22,056	8,988
Percent	100.0	100.0	100.0	100.0
In metropolitan areas	68.6	67.9	74.1	82.4
In central cities	31.5	27.9	58.5	51.7
Outside central cities	37.1	40.0	15.6	30.7
Nonmetropolitan areas	31.4	32.1	25.9	17.6
<u>1982</u>				
Total**(thousands)	227,375	194,647	26,986	14,043
Percent	100.0	100.0	100.0	100.0
In metropolitan areas	67.6	66.2	75.9	84.7
In central cities	27.4	23.4	54.7	49.1
Outside central cities	40.2	42.8	21.2	35.6
Nonmetropolitan areas	32.4	33.8	24.1	15.3

* Persons of Spanish origin may be of any race.

**Does not include inmates of institutions and members of the Armed Forces living in barracks and similar types of quarters.

Note: Metropolitan areas refer to the 243 standard metropolitan statistical areas (SMSA's) as defined in the 1970 census populations. (These definitions have subsequently been changed.)

Source: U.S. Bureau of the Census, Population Profile of the U.S., 1982
(Series P-23, No. 130)

By mid-1982 there were 36 metropolitan areas in the country which had a population of at least 1 million. These markets accounted for 111 million people, or 48% of the national total. From 1980 to 1982 they grew by 2.2%, slightly below the rate for the country (2.3%), but faster than in the 1970's when they lagged behind the national growth rate.

The Office of Management and Budget has re-defined and classified metropolitan area classifications. Under the new classification scheme, a metropolitan area that is closely related to another is classified as a primary metropolitan statistical area (PMSA); and a grouping of such areas is termed "consolidated metropolitan statistical area" (CMSA). An MSA is a free-standing metropolitan area, surrounded by non-metropolitan counties and not closely associated with other metropolitan areas.

The fastest growing areas were in the South and West (Houston/Galveston, +11.5%; Orlando, + 8.9%; Dallas/Forth Worth, + 7.3%; Tampa/St. Petersburg, + 6.6%; Phoenix, + 6.6%). This trend is expected to continue.

POPULATION TRENDS

Metropolitan-Nonmetropolitan Markets (continued)

The Ten Largest Consolidated Metropolitan Statistical Areas, 1982

<u>Metropolitan Area</u>	<u>Population</u> (thousands)	<u>% Change</u> 1982/1980
New York-Northern N.J.-Long Island, N.Y.-N.J., Conn. CMSA	17,589	+ 0.3%
Los Angeles-Anaheim-Riverside, Calif. CMSA	11,930	+ 3.8
Chicago-Gary-Lake County, Ill.-Ind.-Wis. CMSA	7,914	+ 0.5
Philadelphia-Wilmington-Trenton, Pa.-N.J.-Del.-Md. CMSA	5,713	+ 0.6
San Francisco-Oakland-San Jose, Calif. CMSA	5,515	+ 2.7
Detroit-Ann Arbor, Mich. CMSA	4,630	- 2.6
Boston-Lawrence-Salem, Mass.-N.H. CMSA	3,988	+ 0.4
Houston-Galveston-Brazoria, Tex. CMSA	3,458	+ 11.5
Washington, D.C.-Md.-Va. MSA	3,339	+ 2.7
Dallas-Fort Worth, Tex. CMSA	3,143	+ 7.3

Source: U.S. Bureau of the Census,
Current Population Survey

The greatest total growth in urban areas in numbers between 1980 and 1982 was in the Los Angeles area (432,000), followed by Houston (357,000).

Geographical Mobility

The annual mobility rate--the percent of the population 1 year old and over who have moved to a different house within the year--has continued to decline since the 1960's. Between 1960 and 1961, about 20% of the population moved within the U.S. Between 1982 and 1983, the rate declined to 16.6%.

Annual Rates of Mobility--1960-1983 (Population 1 Year of Age & Older)

Period	Total Movers (thous.)	Different House in the U.S.					Movers From Abroad
		Total	Same County	Different County			
				Total	Same State	Different State	
1960-61	36,533	20.0	13.7	6.3	3.1	3.2	0.5
1970-71	37,705	17.9	11.4	6.5	3.1	3.4	0.8
1980-81	38,200	16.6	10.4	6.2	3.4	2.8	0.6
1981-82	38,127	16.6	10.3	6.2	3.3	3.0	0.5
1982-83	37,408	16.1	10.1	6.0	3.3	2.7	0.4

Source: U.S. Bureau of the Census, Current Population Reports,
Population Characteristics, Series P-20, No. 393

Continuing the long-standing pattern of metropolitan decentralization, previously noted, the March 1983 Population Survey showed that in the preceding 12 months about 4 million persons moved from central cities to the suburbs, while only 2 million made the opposite move.

POPULATION TRENDS

Geographical Mobility (continued)

The highest rate of mobility in the U.S. is found among persons in their twenties--young adults who move to establish their own households or move in with friends, go away to college, or join the military. Householders who have children of school age move less frequently than those with younger children or no children.

Blacks have a higher mobility rate than Whites (18.3% vs. 16.1% in 1982-83) and, in moving, were more likely to stay within the same county. Persons who were unemployed in March of 1983 were much more likely to have moved in the preceding year (26%) than were persons 16 years and older who were employed (17%).

MARRIAGES & MARITAL STATUS

For the first time since 1975, the number of marriages in the U.S. dropped in 1983, to a total of 2,444,000. While this was greater than any total prior to 1982, it represented a 2% decline compared with the 1982 total. A slight rise in the number reported for the first nine months of 1984 was noted compared with the same 1983 period (up 1.2%), based on preliminary data.

The marriage rate dropped 3% in 1983 to 10.5 per 1,000 population--the first drop since 1976. In the first nine months of 1984, the rate was 10.8--the same as in the comparable 1983 period.

Based on women in the population age 15-44 years, the marriage rate per thousand in 1983 was 44.2, down from 45.7 in 1982. This rate had dropped from 51.2 in 1972 to 43.7 in 1977, and has changed very little since that time.

The Number of Marriages & Marriage Rates in the U.S., 1980-1984

<u>Year</u>	<u>Number</u>	<u>Rate per 1,000 of Total Population</u>
1983(p)	2,444,000	10.5
1982(p)	2,495,000	10.8
1981(p)	2,438,000	10.6
1980	2,390,252	10.6

(p) provisional

Source: National Center for Health Statistics,
Monthly Vital Statistics Report

There has been a growing tendency for young adults to postpone their first marriage beyond the most typical ages of marriage in the recent past. As of 1983, the median age at first marriage for women was 22.8 years and for men, 25.4 years. In 1970, the median for women was 20.8 years and for men it was 23.2 years, according to the Census Bureau.

MARRIAGES & MARITAL STATUS

The trend toward postponement of marriage to a later date, or not marrying at all, is reflected in data compiled by the Bureau on the percent of men and women in the key age groups for marriage who have remained single. As of 1984, 25.9% of women age 25 to 29 years, for example, had never married, compared with 20.9% in 1980 and 10.5% in 1970. Among males in this age group, 37.8% of the 1984 total had never married, compared with 33.1% in 1980 and 19.1% in 1970.

The percent who have never married declines quite sharply after age 29 but remains well above rates in the recent past. The postponement of marriage is associated with the growing tendency among young adults to pursue advanced education and labor-force careers.

Percent Single (Never Married), by Age & Sex, 1970, 1980, 1984

	Women			Men		
	1984	1980	1970	1984	1980	1970
Total, 15 years & over	22.9%	22.5%	22.1%	30.3%	29.6%	28.1%
Selected ages						
Under 40	39.8	38.8	38.5	49.8	44.8	47.7
40 years & over	4.9	5.1	6.2	5.3	5.7	7.4
20 to 24 years	56.9	50.2	35.8	74.8	68.8	54.7
25 to 29 years	25.9	20.9	10.5	37.8	33.1	19.1
30 to 34 years	13.3	9.5	6.2	20.9	15.9	9.4

Source: U.S. Bureau of the Census, Population Characteristics
Marital Status & Living Arrangements: March 1984
Series P-20, No. 391

Marriages have a distinct seasonal pattern. The rates are highest in the summer months, peaking in June. The marriage rates were lower each month in 1983 than in 1982 except for February, August and November.

Marriages & Marriage Rates by Month, 1982, 1983

	Number (thousands)		Rate per 1,000 Population	
	1983	1982	1983	1982
Total	2,444	2,495	10.5	10.8
January	132	133	6.7	6.8
February	143	141	8.0	8.0
March	162	164	8.2	8.4
April	185	193	9.6	10.2
May	231	239	11.7	12.2
June	289	290	15.1	15.3
July	228	250	11.5	12.7
August	272	253	13.7	12.9
September	236	237	12.3	12.4
October	195	225	9.8	11.4
November	188	181	9.8	9.5
December	183	183	9.2	9.5

Source: National Center for Health Statistics,
Monthly Vital Statistics Report

MARRIAGES & MARITAL STATUS

Divorce

The number of couples who were divorced grew steadily for 20 years through 1981, but since then there has been a decline. In 1983, 1,179,000 couples divorced, 1,000 fewer than in 1982. The divorce rate for 1983 was 5.0 per 1,000 population down from 5.1 a year earlier and lower than it has been since 1977. The historic high was reached in 1979 and in 1981--5.3. The downward trend continued in 1984. In the first nine months of the year the rate was 4.9 vs. 5.1; the total number of divorces in the period declined 2.1%.

HOUSEHOLDS & FAMILIES

According to the Census Bureau's March 1984 Current Population Survey, there were 85.4 million households in the U.S., an increase of about 1.5 million over the total for 1983. In 1983 the increase over 1982 was only 391,000, which was much below normal and caused, it is believed, by the recession.

The average net annual increase in the number of households over the period since 1980 has been 1.2 million. This compares with an average annual increase of 1.6 million households between 1970 and 1980. From 1970 to 1980, the average increase each year was 1.6 million households.

Of all households in 1984, about 73% were family households--that is, households maintained by a man or woman living with at least one relative. About 23.4 million households (27%) were maintained by nonfamily householders--that is, people either living alone or with others to whom they are not related.

Since the 1970's there has been a trend toward a substantial increase in the number of families maintained by women with no husband present. This type represented about 25% of all households added since 1980, they accounted for 11.6% of all households in 1984 compared with 10.8% in 1980 and only 8.7% in 1970. The actual number of such family households increased 13.5% from 1980 to 1984, reaching a total of 9.9 million.

The number of nonfamily households has increased over 10% since 1980, to reach a total of 23.4 million in 1984. Most of these households (85.2%) are maintained by people living alone (more women than men). The deferral of marriage among young adults, the high incidence of divorce and separation, and the ability of the elderly to maintain their own homes alone are among the reasons for the high rate of increase in the number of nonfamily households.

Households maintained by unmarried couples have continued to gain in number. There were close to 2 million of these in 1984, up from 1.6 million in 1980 and only 523,000 in 1970. In 1984, about 31% had one or more children under 15 years of age (down from 38% in 1970).

While the total number of nonfamily households of all kinds has registered strong gains, the percentage of total household population involved is relatively low. In 1982, according to the Census Bureau, the 22.5 million nonfamily households in the U.S. represented 27% of all households, but they contained only 12% of all persons living in households. (Comparable percentages in 1970 were 19% and 7%, respectively.)

HOUSEHOLDS & FAMILIES

The average number of persons per household reached a new low of 2.71 persons in 1984, a continuation of the decline in household size which began in the mid-1960's. Much of the decline in the average is due to the disproportionate increase in one-person households (up 84% since 1970 compared with a gain of just 35% for households overall).

Families, which by Census definition must include a minimum of at least two persons, declined in average size from 3.58 persons per family in 1970 to 3.24 persons in 1984. This decline is attributable to the drop in the average number of persons under 18 (0.99 in 1984 compared with 1.34 persons in 1970), and it is an all-time low for periods covered by Census Bureau records.

Households by Type, 1970, 1980, 1984

	<u>1984</u>	<u>1980</u>	<u>1970</u>
Households, total (thousands)	85,407	80,776	63,401
Percent	100.0%	100.0%	100.0%
Family households	72.6	73.7	81.2
Married-couple family	58.6	60.8	70.5
Other family, male householder	2.4	2.1	1.9
Other family, female householder	11.6	10.8	8.7
Nonfamily households	27.4	26.3	18.8
Living alone	23.4	22.7	17.1
Male householder	11.4	10.9	6.4
Female householder	16.0	15.4	12.4
Average population per household			
All ages	2.71	2.76	3.14
Under 18 years	0.73	0.79	1.09
18 years & over	1.98	1.97	2.05

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-20, No. 391)

LIVING ARRANGEMENTS

Children Under 18 Years of Age

Living arrangements of children are influenced by the changes in marital status of adults. In 1983, 75% of all children under 18 living with two parents, down from 85% in 1970. (These figures include stepparents). Of the remainder, in 1983 22% living in a one-parent situation (up from 11.9% in 1970), or with other relatives or nonrelatives (3% in 1983).

LIVING ARRANGEMENTS

Children Under 18 Years of Age (continued)

Living Arrangements of Children Under 18 Years, 1970-1983

	1983				1980	1970
	Total	White	Black	Spanish Origin*		
All children 18 & under						
Total (millions)	62.3	50.9	9.4	5.5	63.4	69.2
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Living with:						
Two parents	74.9	81.0	40.7	68.5	76.7	85.2
One parent	22.5	16.9	53.6	28.6	19.7	11.9
Mother only	20.5	15.0	51.1	26.8	18.0	10.8
Father only	2.0	2.0	2.5	1.8	1.7	1.1
Other relatives only	2.2	1.6	5.1	2.4	3.1	2.2
Nonrelatives only	0.5	0.4	0.6	0.6	0.6	0.7

* Persons of Spanish origin may be of any race.

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-20, No. 389)

Young Adults

Among young adults age 18 to 34 years, one of the most notable developments in living arrangements in recent years has been the increase in nonfamily householders (persons who live alone or share their homes with someone unrelated to them), particularly among persons 25 to 34 years old. Among this age group, nonfamily householders went up fourfold from 1970 to 1983.

The following table shows the distribution of the young adult population by type of living arrangement in 1983 compared with 1970. In the next 10 years (1994/1984), the population age 18 to 24 years is expected to decline almost 17%, dropping to 24.1 million, based on "middle series" projections. (See POPULATION PROJECTIONS) The population age 25 to 34 years is expected to increase 4.6%, reaching over 41 million.

The "householder" refers to the person (or one of the persons) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. In the case of a married couple, the person designated as "householder" may be either the husband or the wife. The number of family households equals the number of families.

It will be noted that there has been an increase in young adults who still live at home with parents. These "children of the householder" increased 117% from 1970 to 1983 among young adults 25 to 34 years of age, and gained 78% among those in the 18-to-24-year group. Persons aged 18 to 24 still have the larger proportion still at home, however (54% vs. 11% for ages 25 to 34).

Bearing out the data on age at first marriage, a smaller percentage of young adults are maintaining households as husbands and wives. In 1983, 45% of the persons 18 to 34 years old were maintaining their homes as husbands and/or wives, according to the Census Bureau, compared with 56% in 1970.

LIVING ARRANGEMENTS

Young Adults (continued)

Living Arrangements of Young Adults, 18-34 Years of Age, 1970, 1983

<u>Age & Living Arrangements</u>	<u>1983</u>	<u>1970</u>	<u>% Change In Number, 1983/70</u>
Population 18 to 24 years			
Number (thousands)	29,046	23,423	+ 24.0%
Percent	100.0	100.0	
Householder	19.5	19.4	+ 24.3
Family	11.8	14.9	- 1.9
Married couple	8.3	12.9	- 20.4
Nonfamily	7.7	4.6	+ 110.3
Spouse of householder	13.9	21.3	- 19.1
Child of householder	54.4	37.9	+ 77.9
Other	12.2	21.4	- 28.9
Population 25 to 34 years			
Number (thousands)	39,341	24,856	+ 58.3
Percent	100.0	100.0	
Householder	48.6	47.0	+ 63.6
Family	36.1	42.1	+ 35.9
Married couple	29.1	37.1	+ 23.9
Nonfamily	12.4	4.9	+ 302.2
Spouse of householder	32.5	39.7	+ 29.5
Child of householder	10.6	7.8	+ 116.8
Other	8.3	5.5	+ 137.7

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-20, No. 389)

The Elderly

Since 1970, there has been more change in the living arrangements of the noninstitutional population aged 75 and over ("older elderly") than for those age 65 to 74 years. In 1970, 64% of the older elderly people lived in families (i.e., with relatives), by 1983 this declined to 59%.

Living Arrangements of the Elderly, 1970, 1983

	<u>1983</u>		<u>1970</u>	
	<u>65 to 74 Years</u>	<u>75 Years & Over</u>	<u>65 to 74 Years</u>	<u>75 Years & Over</u>
Total persons (thousands)	15,981	9,756	12,093	6,968
Percent	100.0	100.0	100.0	100.0
In families	72.4	58.9	73.3	64.3
Householder	40.0	32.9	39.7	34.5
Married, spouse present	34.2	25.3	33.2	24.9
Other	5.7	7.6	6.5	9.6

(continued)

LIVING ARRANGEMENTS

The Elderly (continued)

Living Arrangements of the Elderly, 1970, 1983 (continued)

	1983		1970	
	65 to 74 Years	75 Years & Over	65 to 74 Years	75 Years & Over
Spouse of householder	27.4	15.2	24.7	12.2
Other relative	5.1	10.8	8.9	7.4
Not in families	27.6	41.1	26.7	35.7
Living alone	25.6	38.6	23.3	32.4

Source: U.S. Bureau of the Census, Current Population Reports
(Series P-20, No. 389)

SCHOOL ENROLLMENT

School enrollment totals are, for the most part, a direct result of past birth totals in the nation. The pattern now reflects the downturn in births after the peak baby-boom years, as well as the aging--beyond school age, for the most part--of the baby boomers, and the echo baby boom beginning in 1979, as more women reached child-bearing years.

The recent upsurge in the total number of births and, even more importantly, the growth in the number of working mothers, is reflected in the number of children who are in nursery school. In 1984, almost 60% of married mothers, whose youngest child was 3 years old, were in the labor forces, and nursery school or day care attendance was usually required for the children. In October 1983, the latest period for which figures have been published by the Bureau of the Census, the number of children registered in nursery schools climbed 18.3% over the 1980 total--the fastest growing pupil group. They represented 4.1% of the total student population in 1983, up from 3.5% in 1980, 2.9% in 1975. Compared with 1973, enrollment in nursery schools rose 77%.

School Enrollment of Persons 3 to 34 Years Old, 1975, 1980, 1983 (Based on Civilian noninstitutional population)

	October 1983		Percent of Total		Percent Change	
	Number (thous.)	Percent	1980	1975	1983/80	1983/75
Total (all races)	57,745	100.0	100.0	100.0	+ 0.7%	- 5.3%
Enrollment						
Nursery school	2,350	4.1	3.5	2.9	+ 18.3	+ 34.4
Kindergarten	3,361	5.8	5.5	5.6	+ 5.8	- 0.9
Elementary school	27,198	47.1	47.9	49.9	- 0.9	- 10.7
High school	14,010	24.3	25.4	25.7	- 3.7	- 10.7
College	10,825	18.7	17.7	15.9	+ 6.3	+ 11.6
Full time	7,711	13.3	12.5	11.6	+ 7.9	+ 8.5
Part time	3,114	5.4	5.2	4.3	+ 2.7	+ 20.1

Source: U.S. Bureau of the Census, Current Population Reports,
Series P-20, No. 394

SCHOOL ENROLLMENT

The total enrollment in schools of persons aged 3 to 34 in October 1983, ranging from nursery school through college, represented 48.4% of the total civilian non-institutionalized population in these ages. However, the 1983 total represented a decline of 3.2 million students since 1975 (one of the years of highest enrollments).

Most of the numerical decrease has been among persons of elementary through high school ages (5 to 17 years). While the enrollment rate among this group has slightly increased, the absolute number of persons in these ages has decreased by some 5.5 million since 1975, yielding a net loss of 5.1 million students. However, there have been gains among older students and, as noted above, in enrollment among young children 3 and 4 years old in nursery schools. The number of children under 5 is expected to peak in the year 1990, so enrollment in nursery schools is expected to grow. The number enrolled in kindergarten has been gaining in recent years, reversing a decline as children move along from nursery school, and this trend is expected to continue.

Data on the percentage of the population in specific ages enrolled in schools in recent years can be applied to population projections to indicate future trends. (See Population Projections).

Percentage of Persons 3 to 34 Years Old Enrolled in School,
By Age & Sex, 1975, 1980, 1983

% Enrolled	1983			1980			1975		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total, 3 to 34 years	48.4%	49.7%	47.0%	49.7%	50.9%	48.5%	53.7%	56.0%	51.5%
3 & 4 years	37.5	38.1	36.9	36.7	37.8	35.5	31.5	30.9	32.1
5 & 6 years	95.4	95.1	95.8	95.7	95.0	96.4	94.7	94.4	95.1
7 to 13 years	99.2	99.1	99.3	99.3	99.2	99.3	99.3	99.0	99.6
14 to 17 years	95.0	95.1	94.9	93.4	93.7	93.1	93.6	94.6	92.6
18 & 19 years	50.4	50.4	50.3	46.4	47.0	45.8	46.9	49.9	44.2
20 & 21 years	32.5	35.2	29.9	31.0	32.6	29.5	31.2	35.3	27.4
22 to 24 years	16.6	19.4	13.9	16.3	17.8	14.9	16.2	20.0	12.6
25 to 29 years	9.6	10.7	8.5	9.3	9.8	8.8	10.1	13.1	7.2
30 to 34 years	6.4	5.8	7.0	6.4	5.9	7.0	6.6	7.7	5.6

Source: U.S. Bureau of the Census, Current Population Reports
Series P-20, No. 394.

The number of elementary school students decreased numerically by over 4.2 million in the 10 year period up to 1983, but are now beginning to gain in number. High school enrollments dropped from a peak of 15.8 million in 1977 to 14 million in 1983, due for the most part to a decline in the population age 14 to 17 years. By 1990, the 14-to-17 age group is projected to shrink in size by about 1.5 million persons from the 1983 estimate. At prevailing enrollment rates this implies a loss between 1983 and 1990 of well over 1 million high school students.

SCHOOL ENROLLMENT

College Students

There were 10.8 million persons enrolled in college in October 1983, compared with 8.2 million in 1973. Most of the gain was due to the size of the 18-to-21 age group, usually referred to as the "traditional" college-age group. In 1983, 34% in this age group were enrolled in college. By 1990, the number of 18-to-21 year old persons in the population is expected to drop by over 2.5 million compared with the 1983 total. Unless college enrollment rates for this age group change dramatically, it is likely the number of traditional college students will decline significantly.

The percent of women age 18 to 21 years who are enrolled in college has risen sharply--from 28.2% in 1973 to 34.5% in 1983.

College Enrollment Status of Population 16 Years of Age & Over, 1983 (Numbers in thousands)

	Total Population Number	Enrolled in College Number	% of Total
Males			
Total, 16 to 34 years	36,961	5,503	14.9%
16 & 17 years	3,709	107	2.9
18 & 19 years	3,877	1,340	34.6
20 & 21 years	3,919	1,310	33.4
22 to 24 years	6,207	1,170	18.9
25 to 29 years	10,092	1,055	10.5
30 to 34 years	9,157	521	5.7
Females			
Total, 16 to 34 years	38,279	5,314	13.9%
16 & 17 years	3,595	147	4.1
18 & 19 years	3,942	1,600	40.6
20 & 21 years	4,120	1,185	28.8
22 to 24 years	6,515	872	13.4
25 to 29 years	10,514	865	8.2
30 to 34 years	9,593	645	6.7

Source: U.S. Bureau of the Census, Current Population Reports
Series P-20, No. 394

EDUCATIONAL ATTAINMENT

As of March 1982, 71% of the U.S. population 25 years of age and older had completed at least a high school education as compared with 55% in 1970. Of the population 25 to 34 years of age, 86% had completed high school in 1982 compared with 74% in 1970. Among Whites 25 to 34 years old in 1982, 87% were high school graduates as compared with 76% in 1970. For Blacks, comparable percentages were 79% in 1982, 53% in 1970.

Of the total population age 25 to 34 years in 1982, 48% of the men and 42% of the women had completed at least 1 year of college. In 1970 comparable percentages were 35% and 25%. College graduates in this age group rose from 20% to 27% in 1982 for men, and from 12% to 21% for women.

For the adult population as a whole, however, among men the percentage of college graduates increased from 14% in 1970 to 22% in 1983; for women, from 8% to 14%.

EDUCATIONAL ATTAINMENT

Years of School Completed by the Population 25 Years Old & Over,
By Age, Sex, Race, & Spanish Origin: March 1970, 1982
(Numbers in millions)

Age, sex, race, Spanish origin, & region	1982 Percent				1970 Percent			
	1982 All Persons	4 Years of High School or More	1 Year of College or More	4 Years of College or More	1970 All Persons	4 Years of High School or More	1 Year of College or More	4 Years of College or More
ALL RACES								
Both sexes, 25 years & over	135.5	71.0%	33.0%	17.7%	109.3	55.2%	21.2%	11.0%
25 to 34 years	38.7	86.3	45.2	23.8	24.9	73.8	29.8	15.8
35 to 44 years	27.4	79.8	38.9	22.0	23.0	64.3	23.8	12.8
45 to 54 years	22.3	71.3	29.9	16.7	23.3	58.2	20.1	10.0
55 to 64 years	21.9	63.4	24.3	12.6	18.4	43.8	17.2	8.7
65 years & over	25.2	44.1	18.1	9.2	19.7	28.3	12.6	6.3
Male, 25 years & over	63.8	71.7	37.6	21.9	51.8	55.0	24.9	14.1
25 to 34 years	19.1	86.9	48.3	26.5	12.2	74.3	34.8	19.7
35 to 44 years	13.4	80.1	44.1	26.8	11.2	63.7	29.0	17.2
45 to 54 years	10.8	70.7	35.5	22.1	11.2	57.0	23.9	13.0
55 to 64 years	10.2	62.3	28.7	16.9	8.7	42.0	18.1	9.9
65 years & over	10.3	43.2	20.5	11.9	8.4	25.9	13.4	7.9
Female, 25 years & over	71.8	70.3	28.9	14.0	57.5	55.4	18.0	8.2
25 to 34 years	19.6	85.7	42.3	21.1	12.6	73.3	25.0	12.0
35 to 44 years	14.0	79.5	33.9	17.3	11.8	64.9	18.9	8.7
45 to 54 years	11.6	71.9	24.8	11.7	12.1	59.4	16.6	7.3
55 to 64 years	11.7	64.4	20.5	8.9	9.7	45.4	16.3	7.6
65 years & over	14.9	44.7	16.5	7.4	11.3	30.1	11.9	5.2
WHITE								
Both sexes, 25 years & over	118.8	72.8	34.0	18.5	98.1	57.4	22.3	11.6
25 to 34 years	33.1	87.2	46.2	24.9	21.9	76.1	31.2	16.6
35 to 44 years	23.8	81.6	40.3	22.9	20.4	66.9	25.0	13.6
45 to 54 years	19.5	74.3	31.1	17.5	21.0	61.2	21.2	10.6
55 to 64 years	19.6	66.5	25.6	13.4	16.7	46.5	18.2	9.1
65 years & over	22.8	46.7	19.2	9.8	18.1	29.9	13.3	6.7
Male, 25 years & over	56.2	73.4	38.8	23.0	46.6	57.2	26.2	15.0
Female, 25 years & over	62.5	72.3	29.6	14.4	51.5	57.6	18.6	8.6
BLACK								
Both sexes, 25 years & over	13.6	54.9	22.4	8.8	10.1	33.7	10.3	4.5
25 to 34 years	4.4	79.3	35.8	12.6	2.7	53.4	15.0	6.1
35 to 44 years	2.9	63.6	23.0	10.0	2.3	41.6	12.2	5.2
45 to 54 years	2.3	47.3	18.3	8.2	2.1	29.1	9.3	3.8
55 to 64 years	1.9	34.6	11.6	4.4	1.5	17.0	6.3	3.8
65 years & over	2.1	18.4	7.5	3.8	1.4	9.0	4.4	2.0

(continued)

EDUCATIONAL ATTAINMENT

Years of School Completed by the Population 25 Years Old & Over By Age, Sex, Race, & Spanish Origin: March 1970, 1982

(Numbers in millions)

(continued)

	1982 All Persons	1982 Percent			1970 All Persons	1970 Percent		
		4 Years of High School or More	1 Year of High School or More	4 Years of College or More		4 Years of High School or More	1 Year of College or More	4 Years of College or More
BLACK (continued)								
Male, 25 years & over	6.0	55.7%	23.6%	9.1%	4.6	32.4%	10.2%	4.6%
Female, 25 years & over	7.6	54.3	21.4	8.5	5.5	34.8	10.4	4.4
SPANISH ORIGIN*								
Both sexes, 25 years & over	6.6	45.9	18.7	7.8	3.9	32.1	11.0	4.5
25 to 34 years	2.6	58.4	23.9	9.7	1.3	44.5	14.6	5.4
35 to 44 years	1.6	47.7	19.9	8.2	1.1	33.6	11.7	5.1
45 to 54 years	1.1	40.7	17.3	7.3	1.2	23.8	8.3	3.8
55 to 64 years	0.8	28.8	11.0	5.0	1.2	23.8	8.3	3.8
65 years & over	0.6	18.3	5.7	3.2	0.4	13.4	5.4	2.5
Male, 25 years & over	3.1	48.1	22.2	9.6	1.9	33.4	13.5	5.9
Female, 25 years & over	3.6	44.1	15.7	6.2	2.1	31.0	8.7	3.2

na not available

* Persons of Spanish origin may be of any race.

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-23, No. 130

LABOR FORCE, EMPLOYMENT & EARNINGS

Labor Force Profile

The total labor force in the U.S.--including those employed as well as people actively seeking work--averaged over 115 million in 1984, up from 108.5 million in 1980 and 113.2 million in 1983. As of January 1985, preliminary counts indicate a climb in the size of the total labor force to 116.6 million--up from 116.2 million in December 1984. The civilian labor force totaled 114.9 million in January compared with 114.5 million in December and 112.2 million in January 1984.

Civilian employment in 1984 averaged 105 million--5.8 million above the 1983 average. In January 1984, employment stood at 106.4 million, which was 3.1 million more than the January 1983 total. Unemployment, on the other hand, averaged 7.4% of the labor force in 1984 compared with 9.5% in each of the recession years 1982 and 1983, but above the 1980 rate (7.0%). The rate in January 1985 was 7.3%, compared with 7.1% in December 1984.

LABOR FORCE, EMPLOYMENT & EARNINGS

Labor Force Profile (continued)

Labor Force Profile, 1980, 1983, 1984
(Thousands of persons 16 years of age & over in U.S.)

	Annual Average		
	1984	1983	1980
Total noninstitutional population, 16 years of age & older	170,080	175,891	169,349
Total labor force*	115,241	113,226	108,544
% of population	64.7%	64.4%	64.1%
Employed, total	106,702	102,510	100,907
Resident Armed Forces	1,697	1,676	1,604
Civilian employed	105,005	100,834	99,303
Nonagricultural inds.	101,685	97,450	95,938
Agriculture	3,321	3,383	3,364
Unemployed	8,539	10,717	7,637
% of total labor force	7.4%	9.5%	7.0%
% of civilian labor force	7.5%	9.6%	7.1%

* Includes resident Armed Forces.

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings (January 1985).

The most fundamental change in the labor force in recent years has been the influx of women, which began in earnest in the 1970's. While the male part of the civilian work force has grown only 25% since 1970, the female portion has surged 58%. Over the next 15 years, the Bureau of Labor Statistics anticipates an increase in the male work force of about 13%, while the number of working women will grow at more than double that rate, or by 27%.

Men still have a much higher participation rate in the work force, however. In 1984, 53.4% of women age 16 and over were in the work force, while 76.8% of men of this age group were working or actively looking for work. Of the population 18 to 64 years of age, 88% of the men are in the labor force, but only 66% of the women.

Women represented 52.6% of the civilian noninstitutional population age 16 and over in 1984, 43.8% of the civilian labor force, 43.7% of the civilian employment. In 1970, comparable percentages were 53.1%, 38.1% and 37.7%, respectively.

LABOR FORCE, EMPLOYMENT & EARNINGS

Labor Force Profile (continued)

Growth in the Civilian Labor Force, 1980-1984
(Thousands of persons 16 years of age & older)

Year	Civilian Noninstitutional Population	Civilian Labor Force				
		Total	% of Population	Employed	Unemployed	
TOTAL					Number	% of Labor Force
1980	167,745	106,940	63.8%	99,903	7,637	7.1%
1981	170,130	108,670	63.9	100,397	8,273	7.6
1982	172,271	110,204	64.0	99,526	10,678	9.7
1983	174,215	111,550	64.0	100,834	10,717	9.6
1984	176,383	113,544	64.0	105,005	8,539	7.5
MEN						
1980	79,398	61,453	77.4%	57,186	4,267	6.9
1981	80,511	61,974	77.0	57,397	4,577	7.4
1982	81,523	62,450	76.6	56,271	6,179	9.9
1983	82,531	63,047	76.4	56,787	6,260	9.9
1984	83,605	63,835	76.4	59,091	4,744	7.4
WOMEN						
1980	88,348	45,487	51.5	42,117	3,370	7.4
1981	89,618	46,696	52.1	43,000	3,696	7.9
1982	90,748	47,755	52.6	43,256	4,499	9.4
1983	91,684	48,503	52.9	44,047	4,457	9.2
1984	92,778	49,709	53.6	45,915	3,794	7.6

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings (January 1985 issue)

The overall profile of the U.S. labor force currently reflects the impact of the 1946-1964 postwar baby-boom which added almost 76 million people to the population--the oldest of whom are now turning 39; the youngest, 21.

In the next 8 to 12 years, overall growth in the labor force will continue to be influenced by the baby boomers attaining those ages at which labor force participation rates are the highest, and by the continued, but slower, rise in participation among women ages 20 to 44.

LABOR FORCE, EMPLOYMENT & EARNINGS

Labor Force Profile (continued)

Expected Growth in the Civilian Labor Force Average Annual Rate in Specified Periods, 1950-1982 & Projected to 1990, 1995

Age (years)	1950- 1960	1960- 1970	1970- 1982	1982- 1990	1990- 1995
16 & over	1.3%	1.7%	2.4%	1.6%	1.0%
16 to 24	0	4.5	2.7	-1.3	-0.8
25 to 54	1.3	1.0	2.3	2.9	1.6
55 & over	1.6	1.4	0.3	-0.7	-0.2

Source: U.S. Bureau of Labor Statistics,
Bulletin 2197 (March 1984)

The Bureau of Labor Statistics has compiled a series of three projections, based on varying assumptions, on the future growth of the labor force. All of these recognized that the number of persons of prime working age (25-54) in the work force will grow considerably faster than the total labor force. The Bureau also anticipates a decline in the absolute numbers of young workers age 16 to 24, reflecting the aging of the baby-boomers and the decline in birth totals.

In the BLS middle projection, which assumes that labor force participation of women will accelerate and then taper off, the civilian labor force will reach 131.4 million persons by 1995. As noted in the preceding table, labor force growth is expected to average 1.6% annually from 1982 to 1990, then slowing to 1.0% a year in the 1990-1995 period.

Projections on the size of the labor force and on participation rates by sex and age, based on BLS middle projections, are covered in the following table.

Civilian Labor Force, by Sex, Age & Race, 1982 & Projections, 1990, 1995

	Labor Force (in thousands)			Labor Force Participation Rate*		
	1982	1990	1995	1982	1990	1995
Total labor force	110,204	124,951	131,387	64.0	66.9	67.8
Men by age 16 & over	62,450	67,701	69,970	76.6	76.5	76.1
16 to 19	4,470	4,123	4,043	56.7	62.3	62.9
20 to 24	8,604	7,151	6,530	84.9	84.4	84.1
25 to 34	17,793	19,569	18,105	94.7	93.7	93.1
35 to 44	12,781	17,469	19,446	95.3	95.6	95.3
45 to 54	9,784	11,142	13,807	91.2	91.2	91.1
55 to 64	7,174	6,419	6,311	70.2	65.5	64.5
65 & over	1,845	1,828	1,728	17.8	14.9	13.3

(continued)

LABOR FORCE, EMPLOYMENT & EARNINGS

Labor Force Profile (continued)

Civilian Labor Force, by Sex, Age & Race, 1982 & Projections to 1995

	Labor Force (in thousands)			Labor Force Participation Rate*		
	1982	1990	1995	1982	1990	1995
Women by age 16 & over	47,755	57,250	61,417	52.6	58.3	60.3
16 to 19	4,056	3,778	3,761	51.4	56.8	58.2
20 to 24	7,477	7,035	6,796	69.8	78.1	82.0
25 to 34	13,393	16,804	16,300	68.0	78.1	81.7
35 to 44	9,651	14,974	17,427	68.0	78.6	82.8
45 to 54	7,105	8,718	11,125	61.6	67.1	69.5
55 to 64	4,742	4,888	4,671	41.8	41.5	42.5
65 & over	1,185	1,329	1,337	7.9	7.4	7.0

* Percent of civilian noninstitutional population in the labor force.

Source: U.S. Bureau of Labor Statistics,
Bulletin 2197 (March 1984).

Employment Status

The economy continued to grow at a modest pace in January, continuing the recovery that accelerated in 1983, although the unemployment rate rose slightly--due to a larger-than-usual influx of job-seekers.

Civilian employment in January 1985 averaged 106.4 million, up from 106.3 million in December and 106.2 million in January 1984. The civilian unemployment rate in January averaged a seasonally adjusted 7.4% of the work force, up from 7.2% in December. The rise was concentrated in the women's segment, which went up from a seasonally adjusted rate of 6.4% in December 1984 to 6.8% in January 1985.

Total civilian employment in 1984 averaged 105.0 million--5.8 million more than the 1983 average. Unemployment averaged 7.4% of the total labor force, which includes resident Armed Forces. This compares with the rate of 9.5% in the recession years 1982 and 1983. The civilian unemployment rate in 1984 averages 7.5% compared with 9.6% in 1983, 9.7% in 1982.

As of December 1984, only six states had unemployment rates under 5%, according to the BLS, and 5 of these were in the Northeast: Conn., R.I., Mass., N.H. and Vt. The sixth was Arizona. The 15 states with December unemployment rates over 8% were clustered in two areas: a contiguous North-South band of 11 states stretching from Mich. to Ala., Miss. and La. on the Gulf Coast and a four-state pocket in the West consisting of Alaska, Wash., Ore., and Nev. W. Va. had the highest jobless rate of any state: 15.6%.

The percentage of total civilian employment accounted for by women grew in 1984, but not as much as noted in earlier years.

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment Status (continued)

Total Employment in Civilian Occupations by Sex, 1980-1983 (Persons 16 years of age & over)

Year	Total Number (000)	Percent	Percent By Sex	
			Men	Women
1980	99,303	100.0%	57.6%	42.4%
1981	100,397	100.0	57.2	42.8
1982	99,526	100.0	56.5	43.5
1983	100,834	100.0	56.3	43.7
1984	105,005	100.0	56.2	43.8

Source: Based on U.S. Bureau of Labor Statistics reports

Most women in the labor force are either working full time or seeking full-time work (78%) and about two out of three were actually working full time in 1984, an increase compared with the 1983 figure (about 64%). Full-time employment of males also went up.

Full- & Part-Time Status of Civilian Employees, 1983, 1984 (Age 16 & over. Numbers in thousands)

	Men				Women			
	Number		Percent		Number		Percent	
	1984	1983	1984	1983	1984	1983	1984	1983
Civilian labor force, total	63,835	63,047	100.0	100.0	49,709	48,503	100.0	100.0
Full-time labor force	58,837	58,016	92.2	92.0	38,795	37,720	78.0	77.8
Employed								
Full time	52,043	49,470	81.5	78.5	32,788	30,925	66.0	63.8
Part time for economic reasons	2,652	2,966	4.2	4.7	3,091	3,300	6.2	6.8
Unemployed	4,142	5,581	6.5	8.8	2,916	3,494	5.9	7.2
Part-time labor force	4,998	5,031	7.8	8.0	10,914	10,783	22.0	22.2
Employed part time voluntarily	4,396	4,352	6.9	6.9	10,035	9,821	20.2	20.2
Unemployed	602	679	0.9	1.1	879	963	1.8	2.0

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings (January 1985)

The number of self-employed Americans has been increasing over the last decade and a half. In 1984 the number, not including individuals who have incorporated their own businesses, stood at 9.3 million--1.9 million more than in 1975. The incorporated self-employed accounted for 2.8 million workers in 1982, up from 2.1 million in 1978, according to the BLS.

Self-employed workers tend to be older than wage and salary workers, although the average age has dropped in recent years. In 1983, 45.2% were 45 and over; and 71% of the total were men.

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment Status (continued)

Employment by Major Industry Group & Class of Worker
1975, 1980, 1984
 (Numbers in thousands)

<u>Year</u>	<u>Self-Employed</u>	<u>Wage & Salary*</u>	<u>Unpaid Family</u>
1975	7,427	77,551	869
1980	8,642	89,950	711
1984	9,338	95,120	548

* Includes individuals who have incorporated their own businesses.

Source: U.S. Bureau of Labor Statistics.

Overall, an average 76.4% of males in the civilian population 16 years of age and older were in the labor force, an average of 70.7% of the population were employed in 1984. For females, comparable percentages in 1984 were 53.1% and 49.5%, respectively.

The baby-boom bulge in the population is moving up the age scale, and this is reflected in the pattern on employment by age. For example, in 1981, 19.5% of the males and 23.2% of the females on the employment rolls were 16 to 24 years of age; in 1984, this age bracket accounted for 18.4% of the males and 21.2% of the females who were working. Employees age 25 to 44 represented 51.5% of the males and 51.1% of female employment in 1984; comparable percentages in 1981 were 48.2% and 47.6%, respectively.

Civilian Employment by Sex & Age, 1981, 1983, 1984
 (% of civilian employees age 16 & older)

	<u>Men</u>			<u>Women</u>		
	<u>1984</u>	<u>1983</u>	<u>1981</u>	<u>1984</u>	<u>1983</u>	<u>1981</u>
Civilian employees, 16 & older	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Age: 16 to 19 years	5.6	5.8	6.7	6.8	6.9	8.0
20 to 24	12.8	12.7	12.8	14.4	14.7	15.2
25 to 34	29.0	28.6	27.9	28.7	28.5	27.3
35 to 44	22.5	21.9	20.3	22.4	21.6	20.2
45 to 54	15.8	16.1	16.9	14.9	15.2	16.0
55 to 64	11.3	11.8	12.2	10.2	10.5	10.6
65 & over	2.9	3.1	3.2	2.5	2.6	2.6

Source: Based on U.S. Bureau of Labor Statistics reports.

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment Status (continued)

Employment Status of the Civilian Noninstitutional Population By Sex & Age, 1984 (Numbers in millions)

	No. In Population	Civilian Labor Force					No. not in Labor Force
		Total No.	% of Pop.	No. Employed	Unemployed		
					No.	% of Labor Force	
MEN							
16 years & over	83.6	63.8	76.4%	59.1	4.7	7.4%	19.8
16 to 19	7.4	4.1	56.0	3.3	0.8	19.6	3.3
20 to 24	10.1	8.6	85.0	7.6	1.0	11.9	1.5
25 to 54	45.0	42.3	93.9	39.8	2.5	5.9	2.7
25 to 34	19.6	18.5	94.4	17.2	1.3	7.2	1.1
35 to 44	14.7	14.0	95.4	13.3	0.7	5.2	0.7
45 to 54	10.7	9.8	91.2	9.3	0.4	4.6	0.9
55 to 64	10.3	7.0	68.5	7.0	0.4	5.0	3.2
65 & over	10.8	1.8	16.3	1.7	*	3.0	9.0
WOMEN							
16 years & over	92.8	49.7	53.6	45.9	3.8	7.6	43.1
16 to 19	7.3	3.8	51.8	3.1	0.7	18.0	3.5
20 to 24	10.6	7.4	70.4	6.6	0.8	10.9	3.1
25 to 54	47.4	32.4	68.3	30.3	2.0	6.3	15.1
25 to 34	20.4	14.2	69.8	13.2	1.0	7.4	6.2
35 to 44	15.5	10.9	70.1	10.3	0.6	5.6	4.6
45 to 54	11.5	7.2	62.9	6.8	0.4	5.2	4.3
55 to 64	11.8	4.9	41.7	4.7	0.2	4.3	6.9
65 & over	15.6	1.2	7.5	1.1	*	3.8	14.5

* Under 100,000

Source: U.S. Bureau of Labor Statistics
Employment & Earnings (January 1985)

In 1983, 55% of the families in the U.S. had two or more earners. Compared with the overall median income among all families amounting to \$24,666 in 1983, in families with three or more earners (13% of the total), median family income was over \$40,000.

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment Status (continued)

	<u>Number of Families & Number of Earners</u> <u>& Median Family Income, 1982, 1983</u>		Median Income % Change 1983/82
	1983 Number (thous.)	1982 Median Income	
Total families	61,997	\$24,580	\$23,433 + 4.9%
Families, excl. those with members in Armed Forces	61,243	24,666	23,495 + 5.0
No. of earners:			
No earners	9,266	10,438	9,911 + 5.3
One earner	18,459	19,409	18,913 + 2.6
Two earners	25,437	29,808	28,073 + 6.2
Three earners	5,517	37,327	35,798 + 4.3
Four or more	2,584	47,732	44,409 + 7.5

Source: U.S. Bureau of the Census,
Current Population Reports
(Series P-60, No. 145)

The increase in the number of working married couples in the U.S.--centered in age groups where interest in acquiring homes and other possessions is at a peak--has been a major factor in the growing strength of consumer markets at the onset of 1985.

The total number of couples with both husbands and wives at work averaged close to 22 million in 1984 compared with 20.4 million in 1981. The working husbands and wives together represented 41.8% of total employment in 1984 compared with 41.6% in 1981.

Distribution of Civilian Employees by Family Relationship, 1981, 1984

	<u>Number (000)</u>	<u>Percent</u>	
	1984	1984	1981
Total employees, age 16 years & over	105,005	100.0%	100.0%
Husbands	37,511	35.7	38.0
With employed wife	21,922	20.9	20.8
With unemployed wife	1,139	1.1	1.2
With wife not in labor force	14,450	13.8	16.0
Wives	24,848	23.7	23.5
With employed husband	21,922	20.9	20.8
With unemployed husband	897	0.8	0.8
With husband not in labor force	2,029	1.9	1.9
Relatives age 16 & over in married couple families	12,013	11.4	11.6
Other households:			
Women who maintain families	5,397	5.1	5.0
Relatives in families maintained by women (16 & over)	4,199	4.0	3.6

(continued)

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment Status (continued)

Distribution of Civilian Employees by Family Relationship, 1981, 1984 (continued)

	Number (000)	Percent	
	1984	1984	1981
Other households:			
Men who maintain families	1,558	1.5%	1.7%
Relatives in families maintained by men (16 & over)	1,252	1.2	1.2
Persons living alone			
Men	5,030*	5.0*	5.0
Women	4,650*	4.6*	4.7
Other (living with nonrelatives, not known, etc.)	8,547	8.1	5.7

* Not reported for 1984. Based on year 1983.

Source: Based on Bureau of Labor Statistics reports
Employment & Earnings reports

The BLS reports that married couple families in which both husband and wife were in the labor force (i.e., working or actively seeking work) in 1983 numbered 26.1 million, or 41.8% of total families (62.5 million).

Working mothers have become a familiar feature of today's economy. A record 19.5 million, or 6 out of 10 with children under 18 years old, were in the labor force in March 1984, compared with about 4 out of 10 in 1970. Most of the gain has been among married mothers, and an important aspect of the increase has been the degree to which mothers today do not leave the job market after childbirth. This has resulted in a marked increase in school enrollment of younger children, 3 to 5 years of age.

Of the married couple families where both husband and wife were in the labor force in 1983, 57.2% had one or more children under 18 years of age. Of all women in the civilian noninstitutional population as of March 1984 who had children under 18, 60.5% were in the labor force. Among Black mothers of children under 18, the labor force participation rate was 63.3%; among those of Hispanic origin, 48.7%.

As the growing army of women workers has become better educated and more experienced, the percentage of women employees who are in managerial and professional positions has increased rapidly in recent years, reaching 22.5% in 1984. Women accounted for 41.6% of total employment in the managerial/professional specialty group in 1984.

LABOR FORCE, EMPLOYMENT & EARNINGS

Employment Status (continued)

Employed Civilians by Occupation & by Sex, 1982, 1984

	Total		Men		Women	
	1984	1982	1984	1982	1984	1982
Total, 16 years & over (thous.)	105,005	99,526	59,091	56,271	45,915	43,256
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Managerial & professional specialty	23.7	23.3	24.6	24.5	22.5	21.7
Executive, administrative, managerial	11.0	10.7	13.0	12.8	8.5	7.8
Professional specialty	12.7	12.6	11.6	11.6	14.0	13.9
Tech., sales & admin. support	30.9	30.9	19.6	19.5	45.6	45.7
Technicians & related support	3.0	3.0	2.8	2.9	3.3	3.2
Sales occupations	12.0	11.3	11.1	10.9	13.1	11.9
Admin. support incl. clerical	15.9	16.6	5.7	5.8	29.1	30.7
Service occupations	13.5	13.6	9.4	9.4	18.7	19.0
Precision production, craft, repair	12.4	11.9	20.2	19.4	2.4	1.9
Operators, fabricators, laborers	16.1	16.6	21.1	21.5	9.6	10.3
Farming, forestry, fishing	3.4	3.8	5.1	5.6	1.2	1.4

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (January 1985)

Earnings

Much attention has been directed in recent years on the problem of the female-male earnings gap, and this remains a hot issue. The BLS has been conducting studies on the weekly earnings of full-time workers, men and women, since 1979 which highlight the problem. As of 1984, median weekly earnings for full-time women wage and salary workers were reported at \$259, which was 65% as much as the median for men (\$400). Median usual weekly earnings for both men and for women peaked in the 35-to-44 age group. In earlier years, the peak for women has been attained at 25 to 34; and this is an indication of the maturing of the female work force and the advancements being made to better-paying jobs.

Median Usual Weekly Earnings of Full-Time Wage & Salary Workers, By Sex, Age & Race, 1983, 1984

	Total		Men		Women	
	1984	1983	1984	1983	1984	1983
Total, 16 years & over	\$326	\$309	\$400	\$379	\$259	\$252
16 to 24 years	215	207	232	223	203	201
25 years & over	360	349	421	405	282	263
25 to 34	338	322	383	368	284	269
35 to 44	399	367	468	445	292	269
45 to 54	389	365	465	446	278	258
55 to 64	363	350	444	409	266	255
65 years & over	271	256	327	305	217	207

(continued)

LABOR FORCE, EMPLOYMENT & EARNINGS

Earnings (continued)

Median Usual Weekly Earnings of Full-Time Wage & Salary Workers, By Sex, Age & Race, 1983, 1984 (continued)

Race & Hispanic Origin	Total		Men		Women	
	1984	1983	1984	1983	1984	1983
<u>16 Years & over</u>						
White	\$339	\$321	\$403	\$397	\$264	\$253
Black	265	257	304	299	242	231
Hispanic origin	256	250	286	274	224	209

Note: Data refer to the sole or principal job of full-time workers, not including self-employed.

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings (January 1985)

Median Usual Weekly Earnings of Full-Time Wage & Salary Workers, By Occupation & By Industry, 1983, 1984

<u>Occupation</u>	<u>1984</u>	<u>1983</u>
Managerial & professional specialty	\$ 463	\$ 440
Executive, administrative, managerial	490	456
Professional specialty	454	422
Technical, sales, administrative support	300	282
Technicians & related support	381	357
Sales occupations	316	305
Administrative support, including clerical	273	258
Service occupations	208	205
Protective service	364	350
Service, except protective	200	188
Precision production, craft, repair	386	379
Operators, fabricators, laborers	287	276
Machine operators, assemblers, inspectors	279	261
Transportation & material moving occupations	350	328
Handlers, equipment cleaners, helpers, laborers	250	244
Farming, forestry, fishing	203	200
<u>Industry</u>		
Agricultural wage & salary workers	204	200
Private nonagricultural wage & salary workers	321	306
Mining	501	485
Construction	356	353
Manufacturing	353	339
Transportation	408	406
Communications & public utilities	460	422
Wholesale trade	347	334

(continued)

LABOR FORCE, EMPLOYMENT & EARNINGS

Earnings (continued)

Median Usual Weekly Earnings of Full-Time Wage & Salary Workers, By Occupation & By Industry, 1983, 1984 (continued)

<u>Industry (continued)</u>	<u>1984</u>	<u>1983</u>
Retail trade	\$ 236	\$ 222
Finance, insurance, real estate	310	300
Services	286	270
Government	374	353

(See note on preceding table)

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings (January 1985)

Median Earnings of Year-Round, Full-Time Workers in 1982 By Occupation, Class of Worker & Sex (Number in thousands)

	<u>Men</u>		<u>Women</u>	
	<u>Self-</u> <u>Employed</u>	<u>Wage &</u> <u>Salary</u>	<u>Self-</u> <u>Employed</u>	<u>Wage &</u> <u>Salary</u>
Total	\$14,360	\$21,542	\$ 6,644	\$13,352
Managerial & professional specialty	24,720	28,637	10,366	17,955
Technical, sales & admin. support	15,841	21,694	7,468	12,897
Service	10,913	14,632	4,837	9,185
Precision, production, craft & repair	13,890	21,432	7,557	14,024
Operator, fabricator & laborer	12,015	17,167	5,918	11,047
Farming, forestry, fishing	6,584	11,323	238	7,958

Note: Self-employed persons who have incorporated their businesses draw a wage or salary, and are therefore included with "Wage & Salary" data.

Source: U.S. Bureau of Labor Statistics,
Monthly Labor Review (July 1984)

According to a BLS analysis, changes in the purchasing power of wages and salaries, as measured by the constant-dollar Employment Cost Index (ECI), show a dramatic reversal during the four years (1980-83) from the trend of the preceding four years (1976-79). As the inflation rate has declined, purchasing power has increased in the last two years as the rate on price increases has been less than the gain, overall, in rates of salary and wage increases.

INCOME

Personal Income Profile

Total personal income increased 9.8% in 1984, compared with a gain of 6.2% in 1983 and 6.4% in 1982. The pick-up in the economy, which gathered strength in the last two months of 1984, continued in January 1985 as personal income (at a seasonally adjusted annual rate) rose 0.5%. However, some of the gain was attributed to special factors, including the payment of military retirement benefits in January rather than in December, as originally scheduled.

Wages and salaries represented 59.9% of 1984 personal income, compared with 60.5% in 1983 and 60.7% in 1982. Interest income accounted for 14.4% of income, and dividends 2.6% in 1984. Comparable figures for 1983 were 13.7% and 2.6%, respectively; for 1982, 14.2% and 2.6%, respectively. Unless interest rates in 1985 take an unexpectedly sharp turn upward, this source may again represent a declining share of total income in 1985 as occurred in 1983.

Personal Income & Its Disposition, 1982-1984 (Billions of dollars)

	1984	1983	1982
Personal income	\$3,012.8	\$2,744.2	\$2,584.6
Wages & salaries	1,803.9	1,659.2	1,568.7
Other labor income*	195.5	173.1	155.5
Proprietors' income	154.2	121.7	111.1
Rental income	62.5	58.3	51.5
Personal dividend income	77.7	70.3	66.5
Personal interest income	434.8	376.3	366.6
Transfer payments (old-age, disability, health insurance benefits, unemployment insurance benefits, etc.)	416.7	405.0	376.1
Less personal contributions for social insurance	132.5	119.6	111.4
Less personal tax & nontax payments	435.2	404.2	404.1
Equals: Disposable personal income	2,577.7	2,340.1	2,180.5
Less: Personal outlays	2,420.8	2,222.0	2,044.5
Equals: Personal saving	156.8	118.1	136.0
Addenda:			
Disposable personal income in constant 1972 dollars (billions)	1,169.3	1,095.4	1,058.3
Per capita (current \$)	10,891	9,977	9,385
Per capita (1972 \$)	4,940	4,670	4,555
Personal saving as a % of disposable personal income	6.1%	5.0%	6.2%

* Employer contributions to private pension, health and welfare funds; workmen's compensation; directors' fees and a few minor items.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

INCOME

Personal Income Profile

Total disposable personal income in 1984 was 10.1% over the 1983 total. This compares with the 7.3% gain chalked up in 1983. On a per capita basis, disposable income went up 9.2% in 1984 over 1983 and 6.3% in 1983 over 1982. On a constant dollar basis, eliminating the effects of inflation, total disposable income in 1984 went up 6.7%; per capita, + 5.8%.

Savings

The rate of savings of personal income revived somewhat in 1984, reaching 6.1% of disposable income compared with a rate of 5.0% in 1983. In 1981 the savings rate was 6.7%, but in 1973, 1974 and 1975 it averaged 8.5% each year or better. Corporate contributions to private pension plans are counted as deferred personal income that is saved and thus affects the savings rate. Such funding is being cut back because high rates of return earned on investments have resulted in about 75% of pension plans being fully funded or over funded.

Total Money Income of Individuals

Each March the U.S. Bureau of the Census conducts the Current Population Survey to develop information on family and personal characteristics, including income from all sources. The following information is from the March 1984 CPS which developed data on 1983 income.

In 1983, 84% of males and 88.9% of females age 15 and over had their own income. The median for males in 1983 was \$14,631, 4.9% above the 1982 median. The median for females with income was \$6,319 in 1983, 7.3% above the 1982 figure. Although females age 15 and over who had any income in 1983 outnumbered males--83,830,000 females vs. 80,909,000 males--their total money income in 1983 amounted to \$736.0 billion, which was about half the \$1,465.1 billion income of males age 15 and over.

Almost half of the income credited to males was concentrated among those age 25 to 44. Men in this age bracket represented about 42% of all males with income in 1983 and had almost 49% of aggregate male income.

The 25-44 age group also showed the biggest concentration of income for women--but at 45.8% it was less than noted for men. However, women in this age bracket represented only 38.7% of all females with income in 1983.

Aggregate & Median Income of Persons 15 Years of Age & Over, 1983

	<u>By Sex & By Age</u>					<u>Per</u>	
	<u>Number</u>	<u>Percent</u>	<u>Aggregate Income</u>		<u>Median Income</u>		<u>Capita</u>
	<u>(000)</u>		<u>Bil. \$</u>	<u>Percent</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>
MALES							
Total number	86,959						
Number with income	80,909	100.0	\$1,465.1	100.0	\$14,631	\$13,950	\$18,107
By age:							
15 - 19	6,256	7.7	16.3	1.1	1,735	1,786	2,605
20 - 24	9,611	11.9	86.2	5.9	7,651	7,743	8,969

(continued)

INCOME

Total Money Income of Individuals

Aggregate & Median Income of Persons 15 Years of Age & Over, 1983 By Sex & By Age (continued)

	Number (000)	Percent	Aggregate Income		Median Income		Per Capita
			Bil. \$	Percent	1983	1982	1983
MALES (cont'd)							
25 - 34	19,299	23.8	\$ 351.8	24.0	\$16,805	\$16,416	\$18,229
35 - 44	14,458	17.9	364.8	24.9	22,440	21,649	25,232
45 - 54	10,551	13.0	276.1	18.8	23,115	21,543	26,217
55 - 64	10,080	12.5	229.5	15.7	18,694	17,825	22,768
65 & over	10,673	13.2	140.4	9.6	9,766	9,188	13,155
FEMALES							
Total number	94,253						
Number with income	83,830	100.0	736.0	100.0	6,319	5,887	8,780
By age:							
15 - 19	5,832	7.0	13.2	1.8	1,675	1,697	2,263
20 - 24	9,341	11.1	62.0	8.4	5,692	5,506	6,637
25 - 34	18,423	22.0	184.6	25.1	8,503	7,972	10,020
35 - 44	13,990	16.7	152.1	20.7	8,850	7,851	10,872
45 - 54	10,325	12.3	106.4	14.4	8,205	7,602	10,305
55 - 64	10,653	12.7	96.2	13.1	6,129	5,907	9,030
65 & over	15,265	18.2	121.4	16.5	5,599	5,365	7,953

Source: U.S. Bureau of the Census,
Current Population Reports
(Series P-60, No. 145)

Among men per capita income is highest in the 45-54 age group (\$26,217); among women, per capita income in 1983 peaked in the 34-44 age group (\$10,872).

In 1983, 49% of males 14 years of age and older who had money income had \$15,000 or more. The comparable figure for 1980 was 43%. Among women who had income in 1983, 19.2% had \$15,000 or more, compared with 10.9% in 1980.

Total Money Income of Persons 14 Years Old & Over, by Sex, 1980, 1983

	Total		Male		Female	
	1983	1980	1983	1980	1983	1980
Total number 14 & over (000)	180,303	174,082	86,050	82,949	94,253	91,133
Number with income (000)	164,739	159,487	80,909	78,661	83,830	80,826
% with income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Under \$10,000	50.9	57.7	35.7	39.8	65.4	74.9
\$10,000 - \$14,999	15.3	15.7	15.2	17.1	15.3	14.2
\$15,000 - \$24,999	18.6	17.2	23.2	25.5	14.0	9.0
\$25,000 & over	15.3	9.6	25.8	17.5	5.2	1.9
Median	\$ 9,720	\$ 7,943	\$14,631	\$12,530	\$6,319	\$4,920

Source: U.S. Bureau of the Census,
Current Population Reports (Series P-60, No. 145)

INCOME

Household Income

Median household income in 1983 was reported at \$20,885 compared with \$20,171 in 1982. A household consists of all the persons who occupy a housing unit--whether a single room occupied as separate living quarters or a house or apartment. A household includes the related family members and all the unrelated persons, if any, who share the housing unit.

The data on households is further divided into "family" and "unrelated individual (not living with any relatives)" information.

In addition to reported money income, in the 3rd quarter of 1983, according to the Census Bureau, 3 out of every 10 people in the Nation's 83.1 million non-farm households received government assistance, such as Social Security, food stamps, Medicare and public housing.

The improved economy resulted in an increase of 4.9% in median family income, which rose from \$23,430 in 1982 to \$24,580 in 1983 (+4.9%). Median income of households made up of unrelated individuals amounted to \$10,563 in 1983.

The highest median income in 1983 was among families headed by a person 45 to 54 years of age. These represented 17% of all families in 1984 and had a median income of \$32,592.

Families & Unrelated Individuals by Total Money Income, 1983
Total & by Age of Householder

	Total	Age of Householder (Head)					
		Under 25	25-34	35-44	45-54	55-64	65 & Over
FAMILIES							
Total number (000)	61,997	3,258	14,632	14,062	10,519	9,843	9,682
Percent	100.0%	5.2%	23.6%	22.7%	17.0%	15.9%	15.6%
By income:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$10,000	16.0	35.8	17.4	11.5	10.2	12.9	22.9
\$10,000-\$14,999	11.6	18.6	11.7	8.4	7.6	9.4	20.4
\$15,000-\$24,999	23.3	28.8	26.3	21.2	16.5	22.3	28.2
\$25,000-\$34,999	19.5	11.2	22.4	21.4	20.2	19.9	14.0
\$35,000-\$49,999	17.0	4.8	15.8	21.1	22.8	18.7	8.8
\$50,000-\$59,999	5.4	0.5	3.2	7.1	9.2	6.7	2.3
\$60,000-\$74,999	3.7	0.2	1.9	4.7	6.6	5.1	1.7
\$75,000 & over	3.5	--	1.1	4.4	6.9	4.9	1.7
Median income before taxes	\$24,580	\$13,841	\$22,776	\$28,944	\$32,592	\$29,407	\$16,862

(continued)

INCOME

Household Income

Families & Unrelated Individuals by Total Money Income, 1983 Total & by Age of Householder (continued)

	Total	Age of Householder (Head)					
		Under 25	25-34	35-44	45-54	55-64	65 & Over
UNRELATED INDIVIDUALS							
Total number (000)	29,258	4,259	7,195	3,304	2,330	3,579	8,591
Percent	100.0%	14.4%	24.4%	11.2%	7.9%	12.1%	29.1%
By income:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$10,000	47.7	60.3	28.9	26.8	36.9	49.0	67.6
\$10,000-\$14,999	17.6	21.8	20.5	14.6	14.7	17.9	15.1
\$15,000-\$24,999	20.7	15.0	32.2	22.1	22.1	18.4	11.5
\$25,000-\$34,999	8.4	2.4	12.3	23.7	14.5	8.2	3.1
\$35,000 & over	5.6	0.5	6.1	12.8	11.8	6.5	2.7
Median income before taxes	\$10,563	\$ 7,893	\$15,146	\$17,296	\$14,481	\$10,233	\$ 6,938

Source: U.S. Bureau of the Census,
Current Population Reports (Series P-60, No. 145)

According to a study by the Federal Reserve Board, the share of aggregate family income received by the highest income decile was 33% in 1982, 32% in 1976 and 29% in 1969.

Share of Family Income by Income Deciles, 1976, 1982

	% of Families by Share of Tptal Income	
	1982	1976
Total families	100%	100%
Income deciles:		
Lowest	1	1
2nd, 3rd, 4th	12	13
5th, 6th, 7th	25	25
8th	13	13
9th	16	16
Highest	33	32

Source: Federal Reserve Bulletin (September 1984)

INCOME

Household Income

Median Family Income by Type of Family & by Region, 1982, 1983

	1983		1982
	Number (thous.)	Median Income	Median Income
Married-couple families	50,090	\$27,286	\$26,019
Wife in paid labor force	26,177	32,107	30,342
Wife not in paid labor force	23,913	21,890	21,299
Male householder, no wife present	2,030	21,845	20,140
Female householder, no husband present	9,878	11,789	11,484
REGION			
Northeast	12,928	26,678	24,918
North Central	15,711	24,730	24,219
South	21,524	22,495	21,500
West	11,833	25,592	24,624

Source: U.S. Bureau of the Census,
Current Population Reports (Series P-60, No. 145)

The Bureau of the Census initiated a new series of quarterly reports covering the economic status of households in the U.S. with a report covering the third quarter of 1983.

According to this report, 46% of children under 16 years of age were in households which had a monthly cash income of \$2,000 or more--or upwards of \$24,000 a year; 23% were in households with monthly income of \$3,000 or more. Based on other Census data, more than half of all children age 17 or younger in married couple families have a family income of \$25,000 a year or more, compared to 7% of the children of this age in female-headed households.

Monthly Household Cash Income by Age of Household Member July-September 1983

	Age						
	Under 16	16-24	25-34	35-44	45-54	55-64	65 & older
Total number (000)*	53,907	35,258	38,905	28,547	21,370	21,317	25,008
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Monthly household cash income:							
Under \$900	22.9	17.6	16.6	13.6	14.4	20.1	38.6
\$ 900-\$1,999	31.0	28.4	33.1	23.9	22.6	32.7	38.6
\$2,000-\$2,999	22.5	22.2	25.4	26.1	22.8	21.2	11.9
\$3,000-\$3,999	12.6	13.3	13.8	17.8	17.4	11.4	5.2
\$4,000 & over	11.0	18.5	11.2	18.6	22.8	14.6	5.8
Median income	\$1,840	\$2,118	\$2,007	\$2,364	\$2,462	\$1,887	\$1,124

* Excludes persons in farm households and group quarters.

Source: U.S. Bureau of the Census,
Current Population Reports: Household Economic Studies
(P-70, No. 1)

INCOME

State & Region

As of the 3rd quarter 1984, almost 21% of the nation's total personal income was concentrated in the Southeast, and this region registered a gain of 10.7% in personal income compared with the 3rd quarter of 1983.

Total Personal Income by Regions, 3rd Quarter 1984 (Millions of dollars, seasonally adjusted at annual rate)

	<u>Mil. \$</u>	<u>Percent</u>
United States	\$3,032,708	100.0
New England (Conn., Me., Mass., N.H., R.I., Vt.)	180,353	5.9
Mideast (Del., D.C., Md., N.J., N.Y., Pa.)	598,437	19.7
Great Lakes (Ill., Ind., Mich., Oh., Wis.)	529,984	17.5
Plains (Ia., Ks., Minn., Mo., Neb., N.D., S.D.)	221,349	7.3
Southeast (Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., S.C., Tn., Va., W.Va.)	626,668	20.7
Southwest (Ar., N.M., Okla., Tex.)	293,687	9.7
Rocky Mountain (Colo., Id., Mont., Ut., Wyo.)	86,274	2.8
Far West (Calif., Nev., Ore., Wash.)	473,706	15.6
Alaska	8,784	0.3
Hawaii	13,465	0.5

Source: U.S. Department of Commerce,
Bureau of Economic Analysis

Metropolitan Areas

Total Personal Income & Per Capita Personal Income For Consolidated Metropolitan Statistical Areas, 1980-1982

	<u>Total Personal Income (mil. \$)</u>			<u>Per Capita (\$)</u>		<u>% of National Average 1982</u>
	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1982</u>	<u>1981</u>	
United States	2,571,517	2,426,901	2,158,685	\$11,100	\$10,582	100
CMSAs	487,250	465,928	410,885	8,785	8,496	79
Buffalo-Niagara Falls, NY	13,422	12,973	11,818	11,022	10,558	99
Chicago-Gary-Lake County, IL-IN-WI	101,922	97,417	88,884	12,781	12,247	115
Cincinnati-Hamilton, OH-KY-IN	18,500	17,615	16,135	11,056	10,555	100
Cleveland-Akron-Lorain, OH	33,596	32,418	29,801	11,963	11,519	108
Dallas-Fort Worth, TX	41,499	37,919	32,700	13,202	12,500	119
Denver-Boulder, CO	23,775	21,319	18,357	13,819	12,736	124
Detroit-Ann Arbor, MI	55,866	55,005	52,152	12,066	11,723	109
Houston-Galveston-Brazoria, TX	47,916	43,804	36,740	13,855	13,417	125
Kansas City, MO-KS	17,222	16,355	14,824	11,845	11,337	107
Los Angeles-Anaheim-Riverside, CA	151,867	143,308	127,030	12,730	12,236	115
Miami-Fort Lauderdale, FL	34,161	32,099	27,903	12,246	11,608	110

(continued)

INCOME

Metropolitan Areas (continued)

Total Personal Income & Per Capita Personal Income For Consolidated Metropolitan Statistical Areas, 1980-1982 (continued)

CMSAs (continued)	Total Personal Income (mil. \$)			Per Capita (\$)		% of National Average 1982
	1982	1981	1980	1982	1981	
Milwaukee-Racine, WI	19,566	18,538	16,964	12,448	11,780	112
New York-Northern NJ-Long Island, NY-NJ-CT	238,857	221,192	197,502	13,680	12,694	123
Phila.-Wilmington-Trenton, PA-NJ-DE-MD	68,413	64,049	57,704	11,976	11,246	108
Pittsburgh-Beaver Valley, PA	27,881	26,972	24,337	11,604	11,207	105
St. Louis-East St. Louis-Alton, MO-IL	28,278	26,809	24,116	11,896	11,271	107
San Francisco-Oakland-San Jose, CA	80,384	74,501	66,066	14,577	13,666	131
Seattle-Tacoma, WA	27,307	26,082	23,438	12,537	12,110	112

Source: U.S. Department of Commerce, Bureau of Economic Analysis,
Survey of Current Business (April 1984)

According to Sales & Marketing Management Magazine, (July 23, 1984) the 10 metropolitan areas with the highest median household effective buying income in 1983 were the following:

<u>Metro Area</u>	<u>1983 Median Household EBI</u>
Nassau-Suffolk, NY	\$ 38,427
Anchorage, Alaska	34,842
Bridgeport-Stamford-Norwalk-Danbury, CT.	34,561
Middlesex-Somerset-Hunterdon, N.J.	34,539
Lake County, Il.	34,428
San Jose, Calif.	33,780
Washington, D.C.	33,236
Anaheim-Santa Ana, Calif.	32,715
Bergen-Passaic, N.J.	32,413
Brazoria, Tex.	31,915

CONSUMER FINANCES

A detailed view of the financial position of American families is provided in the 1983 Survey of Consumer Finances, sponsored by the Board of Governors, Federal Reserve System, the U.S. Department of Health and Human Services and five other federal agencies. Data in this survey was collected from a nationally representative sample of 3,824 families and is the most comprehensive inventory of consumers' assets available since the 1962 Survey of Financial Characteristics of Consumers.

CONSUMER FINANCES

Housing Status

The FRB studies show an increase in rates of homeownership between 1970 and 1977, but a decline between 1977 and 1983. The perception that homeownership offered an effective hedge against inflation is cited as contributing to the growth, while the increase in the number of families with an unmarried head, and the gains in mortgage interest rates contributed to the decline in homeownership in recent years.

Housing Status of Nonfarm Families, Selected Years

	1983	1977	1970
Homeowner	60%	65%	62%
Renter	32	28	32
Mobile home (owner & renter)*	6	6	4
Other**	2	1	2

* Includes owners and renters. About 83% of mobile homes are owner-occupied.

** Includes families who receive housing as a gift or as compensation from employer and respondents who refused to answer.

Note: Families include all persons residing in the same dwelling who are related by blood, marriage or adoption. One-person units are included as well as units of two or more persons.

Source: Federal Reserve Bulletin (September 1984)

Homeowners

In 1983, at least two-thirds of all families whose head was age 35 or older owned their own homes while only 34% of families whose head was under 35 did. The highest frequency of home ownership in 1983 was among families whose head was 45-54 (75%) and 55 to 64 (73%). On an income basis, homeownership of course increases with family income, rising from only 36% of families with incomes of less than \$10,000 to 89% of families with incomes of \$50,000 or more. But for most income groups, ownership rates declined between 1977 and 1983.

Homeowners reported the current value of their homes and the amount of outstanding mortgage debt, yielding data on owners' net equity. Increases in housing prices boosted the median reported value of homes dramatically between 1970 and 1977, more than doubling it (from \$17,800 to \$37,000), but between 1977 and 1983 the median value of homes declined 5% in real terms. However, the percent of homeowners whose homes were valued in constant 1983 dollars at \$100,000 or more increased from 1% in 1970 to 4% in 1977 and to 20% in 1983.

Median home equity increased 46% in real terms between 1970 and 1977, then declined nearly 7% to \$41,261 in 1983. Both mean and median equity increase steadily with total family income and with the age of the family head until 65.

CONSUMER FINANCES

Homeowners

Profile of Homeownership/Equity, 1983

Total owners	100%
Value of house	
Less than \$25,000	9
\$25,000 - \$49,999	30
\$50,000 - \$74,999	25
\$75,000 - \$99,999	16
\$100,000 - \$149,999	12
\$150,000 or more	8
Mean value:	\$72,238
Median value:	57,500
Equity in house	
Less than \$15,000	12
\$15,000 - \$24,999	12
\$25,000 - \$49,999	33
\$50,000 - \$74,999	21
\$75,000 or more	22
Mean equity:	\$56,133
Median equity:	41,261

Mean & Median Net Equity in Homes Of Nonfarm Homeowning Families, by Selected Characteristics, 1983

	% of Families Who Own Homes	Net Equity in Homes	
		Mean	Median
Family Income			
Less than \$10,000	36%	\$ 39,996	\$ 29,810
\$10,000 - \$19,999	51	42,896	35,000
\$20,000 - \$29,999	60	48,309	38,075
\$30,000 - \$49,999	82	55,679	46,206
\$50,000 or more	89	100,675	74,756
Age of family head (years)			
Under 35	34	31,496	25,985
35 - 44	66	52,067	40,600
45 - 54	75	64,467	50,000
55 - 64	73	73,578	55,000
65 & over	70	58,269	41,857
Race of family head			
White	64	57,623	43,466
Nonwhite or Hispanic	40	45,329	30,000

Source: Federal Reserve Bulletin (September 1984)

Some indication of the degree to which young families, who are new home buyers, are stretching budgets to buy homes can be found in correlating the above with Census Bureau data on distribution of household income by age of family head. As previously noted in the section on INCOME, in families with head age 25 to 34, only

CONSUMER FINANCES

22% had annual money income of \$35,000 or more; for those with heads age 35-44, 37.3% were at this income level; head 45-54, 45.5%. Older homeowners have less mortgage debt, as will be seen in the following data.

Mortgage & Consumer Debt Outstanding

Changing economic conditions and rapid developments in financial markets have substantially influenced the size and composition of outstanding debt of American families. In 1983, 37% of all families (57% of homeowners) had mortgage debt outstanding; 62% had consumer debt outstanding in the form of credit card and other open-end debt, installment debt, and noninstallment consumer debt from all sources.

The proportion of families owning debt is highest among those whose head is age 25 to 44 years of age. Of the homeownership families whose head is 25 to 34, 87% had outstanding mortgage debt amounting to a median \$27,137, and 77% of all families in this age bracket had other consumer debt outstanding, with a median value of \$2,265. The median income of all families with a head age 25 to 44 was \$20,097 in 1983.

Of homeownership families with a head age 35 to 44, 84% had mortgage debt outstanding (and these represented 58% of all families in this age group). Median amount of mortgage debt amounted to \$25,268. Of all families with a head age 25 to 44, 79% had outstanding consumer debts, with a median value of \$3,030; median income, \$27,114.

The proportion of homeownership families owning mortgage debt increases steadily from the lowest to the highest income groups, as do both mean and median mortgage debt. Outstanding consumer debt generally increases with the age of the family head until 44, then declines.

The ratio of monthly mortgage and installment debt payments in 1983 to family income in 1982 is highest among families with heads under 45 years of age and those with family incomes under \$20,000 a year.

Mean & Median Mortgage & Consumer Debt Outstanding of Families Owing Such Debts, All Families & by Age of Head, 1983

	Mortgage Debt Outstanding				Consumer Debt Outstanding		
	% of All Families	% of Home Owners	Mean	Median	% of All Families	Mean	Median
All families	37%	57%	\$21,147	\$21,010	62%	\$5,400	\$2,382
Age of head:							
Under 25	12	61	24,577	20,049	64	3,584	2,263
25 - 34	40	87	32,266	27,137	77	4,781	2,265
35 - 44	58	84	31,871	25,268	79	6,673	3,030
45 - 54	52	67	23,767	15,167	71	5,780	3,152
55 - 64	34	43	18,334	12,100	57	6,325	1,700
65 - 74	16	20	14,703	10,067	31	3,537	943
75 & over	3	5	11,029	9,981	15	1,117	308

Source: Federal Reserve Bulletin (December 1984)

CONSUMER FINANCES

Financial Assets

There has been a substantial reduction in the proportion of families with savings accounts, savings bonds and stocks since 1977; however, the proportion holding CDs and money market accounts, as well as IRAs has grown.

Families Holding Selected Liquid & Other Assets, 1977, 1983

<u>Liquid assets</u>	<u>Percent of Families</u>	
	<u>1983</u>	<u>1977</u>
None	12%	11%
Checking account	79	81
Certificates of deposit	20	14
Savings account	62	77
Money market account	14	na
Savings bonds	21	31
<u>Other financial assets</u>		
Nontaxable bonds	3	2
Other bonds	3	2
<u>Total financial assets (in 1983 dollars)</u>		
Mean	\$24,128	\$24,273
Median	2,300	3,033
Liquid assets:		
Mean*	12,934	15,224
Median*	1,967	2,542

* Includes those with none

Source: Federal Reserve Bulletin (September 1983)

In 1983, 13% of families had liquid assets valued at \$10,000 to \$24,999; 5%, \$25,000 to \$39,999 and 8% valued at \$40,000 and more. Liquid assets valued at less than \$2,000 were held by 38%, and 12% had none.

Mean & Median Assets of Families Holding Such Assets, by Selected Family Characteristics, 1983

	<u>% of Families Owning Liquid Assets</u>	<u>Liquid Assets</u>		<u>Total Financial Assets</u>	
		<u>Mean</u>	<u>Median</u>	<u>Mean</u>	<u>Median</u>
Family Income					
Less than \$5,000	57%	\$ 2,177	\$ 500	\$ 3,254	\$ 513
\$ 5,000 - \$7,499	70	3,663	1,000	4,296	1,000
\$ 7,500 - \$9,999	75	5,378	800	6,114	848
\$10,000 - \$14,999	87	9,549	1,719	11,619	2,205

(continued)

CONSUMER FINANCES

Financial Assets

Mean & Median Assets of Families Holding Such Assets, by Selected
Family Characteristics, 1983
(continued)

Family income (continued)	% of Families Owning Liquid Assets	<u>Liquid Assets</u>		<u>Total Financial Assets</u>	
		<u>Mean</u>	<u>Median</u>	<u>Mean</u>	<u>Median</u>
\$15,000 - \$19,999	93%	\$ 9,130	\$ 1,513	\$ 12,021	\$ 1,780
\$20,000 - \$24,999	95	11,365	2,105	14,078	2,385
\$25,000 - \$29,999	97	12,509	2,798	18,539	3,349
\$30,000 - \$39,999	99	17,783	4,717	22,752	5,950
\$40,000 - \$49,999	99	16,285	7,828	32,342	10,631
\$50,000 & more	99	45,541	19,886	125,131	31,658
Age of family head					
Under 25	81	1,972	600	2,646	746
25 - 34	87	4,274	1,203	7,963	1,514
35 - 44	91	8,911	3,000	14,414	3,750
45 - 54	89	14,826	3,308	23,009	4,131
55 - 64	91	25,439	7,425	54,951	9,338
65 - 74	88	30,666	9,676	65,339	11,400
75 & over	86	26,481	7,885	37,060	10,350

Source: Federal Reserve Bulletin (September 1984)

Net Worth

Consumers' wealth or net worth influences savings, consumption and financial behavior and it is the best indicator of economic well-being. Net worth is the difference between gross assets--including all financial assets and equity in homes and other real property--and liabilities--including consumer credit and other debts. The estimates include the value of consumer durables such as automobiles and home furnishings, the cash value of life insurance, equity in small businesses and farms, and the present value of expected future benefits from pensions or social security.

As defined, net worth, measured in current dollars increased substantially between 1970 and 1983. The portion of families with net worth of more than \$25,000 expanded from 22% in 1970 to 38% in 1977, then to 50% in 1983. Adjusted for price changes, the increases were smaller but still significant. Real mean and median net worth rose 30% and 18%, respectively, from 1977 to 1983. The proportions of families having various amounts of net worth were substantially the same in the three survey years analysed by the Federal Reserve Board, after accounting for price changes.

Older families tend to have relatively high net worth, and the expansion in this group has counterbalanced that of young families, who tend to have relatively low levels of net worth.

CONSUMER FINANCES

Net Worth

Distribution of Families by Net Worth, 1977, 1983

	<u>Current Dollars</u>		<u>Constant (1983) Dollars</u>
	<u>1983</u>	<u>1977</u>	<u>1977</u>
Total families	100%	100%	100%
Net Worth			
Less than \$5,000	33	39	35
\$ 5,000 - \$9,999	5	7	5
\$10,000 - \$24,999	12	17	12
\$25,000 - \$49,999	16	17	15
\$50,000 - \$99,999	17	13	16
\$100,000 - \$249,999	12	7	12
\$250,000 - \$499,999	3	1	2
\$500,000 & above	2	*	*
Mean	\$66,050	\$31,039	\$66,050
Median	24,574	12,656	24,574

* Less than 0.5%.

Source: Federal Reserve Bulletin (December 1984)

Mean & Median Net Worth by Selected Family Characteristics, 1983

	<u>% of Families</u>	<u>Net Worth</u>	
		<u>Mean</u>	<u>Median</u>
<u>Age of family head</u>			
Under 25	8%	\$ 4,218	\$ 5
25 - 34	23	20,391	3,654
35 - 44	19	51,893	28,721
45 - 54	16	81,350	43,797
55 - 64	15	119,714	55,587
65 - 74	12	125,284	50,181
75 & over	7	72,985	35,939
<u>Life-cycle stage of family head:</u>			
Under 45 years			
Unmarried, no children	12	16,289	1,075
Married, no children	7	24,948	7,540
Married, with children	23	41,371	17,864
45 years & over			
Head in labor force	26	107,124	54,527
Head retired	22	103,041	43,213
All ages			
Unmarried, with children	9	22,765	477

Source: Federal Reserve Bulletin (December 1984)

CONSUMER EXPENDITURES

Personal consumption expenditures, including outlays for goods and services, in 1984 amounted to \$2,342.0 billion, representing a gain of 8.6% compared with 1983 on a current dollar basis, and a gain of 5.3% on a constant dollar basis. Durable goods continued to register the strongest gain, as consumers went back to the purchase of cars, appliances and other durable goods when the economy improved.

Personal Consumption Expenditures by Major Type of Product, 1981-1984
(Billions of current dollars)

	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>% Change</u>	
					<u>1984/83</u>	<u>1983/82</u>
Personal consumption expenditures, total	\$2,342.0	\$2,155.9	\$1,984.9	\$1,849.1	+ 8.6%	+ 8.6%
Durable goods	318.5	279.8	245.1	253.4	+13.8	+14.1
Nondurable goods	856.8	801.7	751.5	730.7	+ 6.9	+ 6.7
Services	1,166.8	1,074.4	982.2	883.0	+ 8.6	+ 9.4

Note: Durable goods are defined as having a usefulness of 3 years or more; non-durable goods, a useful life of less than 3 years.

Source: U.S. Department of Commerce,
Bureau of Economic Analysis.

On a constant dollar basis, spending for durable goods in 1984 rose 13.1% over 1983; expenditures for nondurable goods went up 4.6%, services up 3.3%.

Attention of marketers is focused on the large baby-boom generation who now constitute more than a third of American households and are in their prime family-building years. Although total consumption expenditures in relation to gross national product has not been expanding because of this group--it was 63.9% in 1984, 65.2% in 1983; 64.6% in 1982; 63.3% in 1981. The baby-boomers--particularly that segment known as Yuppies (young, urban professionals)--are making an impact on the pattern in consumer expenditures. Spending on foreign travel, for example, reached over \$18.7 billion in 1983, 31.5% above the 1980 total of \$14.3 billion. Spending for recreation reached \$141.3 billion, for a gain of about 32% compared with 1980. Expenditures for private education reached a record \$33.3 billion in 1983, gaining 26% compared with 1980. Eating-out expenditures came to \$115.5 billion, for a gain of 28%.

The U.S. also has a rapidly growing elderly population, and this group, too, has an impact on changing patterns in consumer spending. Spending for medical care for all U.S. consumers, but especially for the older population, continues to rise faster than the gain in overall expenditures and reached over \$238 billion in 1983, or 43% above the 1980 figure. Varying rates of inflation in prices of consumer goods also affect the spending pattern.

CONSUMER EXPENDITURES

Total Personal Consumption Expenditures by Major Type of Product, 1980-1983 (Billions of \$)

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
Personal consumption expenditures	\$2,155.9	\$1,984.9	\$1,849.1	\$1,668.1
Durable goods	279.8	245.1	235.4	214.7
Motor vehicles & parts	129.3	108.7	101.9	90.7
Furniture & household equip.	104.1	94.4	92.3	86.3
Other	46.4	42.1	41.2	37.3
Nondurable goods	801.7	757.7	730.7	668.8
Food	416.5	392.8	373.9	345.1
Clothing & shoes	127.0	118.8	114.3	104.6
Gasoline & oil	90.0	90.4	94.6	84.8
Other nondurable goods	168.2	155.6	147.9	134.3
Services	1,074.4	982.2	883.0	784.5
Housing	363.3	333.8	302.0	266.2
Household operation	153.8	143.3	127.5	113.0
Transportation	72.5	68.2	65.0	61.1
Other	484.8	436.8	388.5	344.3
	<u>Percent of Total Expenditures</u>			
Personal consumption expenditures	100.0%	100.0%	100.0%	100.0%
Durable goods	13.0	12.3	12.7	12.9
Motor vehicles & parts	6.0	5.5	5.5	5.4
Furniture & household equip.	4.8	4.8	5.0	5.2
Other	2.1	2.1	2.2	2.3
Nondurable goods	37.2	38.2	39.5	40.1
Food	19.3	19.8	20.2	20.7
Clothing & shoes	5.9	6.0	6.2	6.3
Gasoline & oil	4.2	4.5	5.1	5.1
Other durable goods	7.8	7.8	8.0	8.0
Services	49.8	49.5	47.7	47.0
Housing	16.8	16.8	16.3	16.0
Household operation	7.1	7.2	6.9	6.8
Transportation	3.4	3.4	3.5	3.7
Other	22.5	22.0	21.0	20.6

Source: U.S. Bureau of Economic Analysis,
Survey of Current Business
(July 1984)

Spending Patterns By Household Characteristics

The Bureau of Labor Statistics recently issued their first report on what is to be a continuing Consumer Expenditure Survey. The data in this report is based on interviews among 10,000 urban consumer units (households) interviewed over 5 quarters in 1980-81.

CONSUMER EXPENDITURES

Spending Patterns By Household Characteristics

The detailed report covers the pattern in expenditures of urban households (including singles living alone as well as married-couple and other families) in terms of income levels, age of household head (the person who owns or rents the dwelling), number of persons in the household, region of residence, composition of the household, number of earners in the household, housing tenure (owner vs. renter) and race of household head.

Following are patterns in spending based on the BLS data, which update similar studies covering 1972-73 and 1960-61.

Average Annual Expenditures of Urban Consumer Units (Households), 1981-81 By Age of Household Head

	Total	Age of Head					
		Under 25	25 - 34	35 - 44	45 - 54	55 - 64	65 & Over
Number (thous.)	68,295	7,408	16,083	11,422	9,685	10,410	13,287
	100.0	10.8	23.5	16.7	14.2	15.2	19.5
Consumer unit characteristics							
Income before taxes	\$19,989	\$11,354	\$20,958	\$25,727	\$28,108	\$22,312	\$10,898
Size of consumer unit	2.7	1.8	2.8	3.8	3.4	2.4	1.7
Av. age of householder	46.2	21.6	29.5	39.2	49.5	59.3	73.5
Av. no. in consumer unit							
Earners	1.4	1.3	1.5	1.9	2.2	1.4	0.4
Vehicles	1.9	1.2	1.9	2.3	2.7	2.1	1.1
Children under 18	0.7	0.4	1.1	1.7	0.9	0.2	--
Percent homeowner	61	11	50	70	78	80	70
Total expenditures	\$17,144	\$11,108	\$17,979	\$22,084	\$22,959	\$17,477	\$10,754
% of income before taxes	85.8%	97.8%	85.5%	85.8%	81.7%	78.3%	98.7%
Food	16.1	17.6	14.9	16.4	15.6	15.1	20.3
Alcoholic beverages	1.4	2.8	1.7	1.2	1.1	1.2	1.1
Housing	25.3	28.3	27.6	25.1	21.3	21.0	32.8
Shelter	14.1	17.5	16.7	14.2	11.4	10.6	16.2
Owned dwellings	8.3	3.2	9.6	9.6	7.5	6.8	9.3
Rented dwellings	4.6	13.4	6.3	3.4	2.4	2.3	5.5
Other lodging	1.2	0.9	0.9	1.2	1.5	1.5	1.5
Fuel, utilities, etc.	6.3	5.4	5.4	6.0	6.0	6.4	9.9
Household operations	1.3	1.0	1.4	1.2	0.7	0.8	3.2
Housefurnishings, equip.	3.5	4.5	4.0	3.7	3.1	3.1	3.4
Apparel & services	4.7	6.0	4.7	5.3	4.5	4.0	3.9
Transportation	17.3	22.9	17.6	16.9	17.6	16.0	15.6
Health care	3.7	2.3	2.5	3.0	3.2	3.9	9.6
Entertainment	3.8	5.1	4.3	4.3	3.3	3.2	2.8
Personal care	0.8	0.7	0.6	0.7	0.8	0.9	1.3
Education	1.1	2.6	0.7	1.2	1.8	0.7	0.3
Other (tobacco, insurance, contributions, etc.)	11.6	9.5	11.3	11.7	12.4	12.2	10.7

Source: U.S. Bureau of Labor Statistics,
Consumer Expenditure Survey (USDL: 84-514)

CONSUMER EXPENDITURES

Spending Patterns By Household Characteristics

Average Annual Expenditures of Urban Consumer Units (Households), 1980-81 By Selected Household Income Groups

	Total	Selected Household Income Groups		
		\$15,000- 12,999	\$20,000- 29,999	\$30,000 & Over
Number (thous.)	68,295 100.0	7,426*	12,165*	11,977*
Consumer unit characteristics				
Income before taxes	\$19,989	\$17,967	\$24,414	\$44,152
Size of consumer unit	2.7	2.7	3.1	3.4
Av. age of householder	46.2	42.1	41.4	44.5
Av. no. in consumer unit				
Earners	1.4	1.5	1.8	2.2
Vehicles	1.9	2.0	2.5	2.9
Children under 18	0.7	0.8	1.0	1.0
Percent homeowner	61	58	73	87
Total expenditures	\$17,144	\$16,065	\$20,330	\$30,338
% of income before taxes	85.8%	92.5%	82.3%	68.7%
Food	16.1	17.6	15.2	11.1
Alcoholic beverages	1.4	1.6	1.4	1.0
Housing	25.3	25.9	23.2	19.2
Shelter	14.1	14.3	12.9	10.8
Owned dwellings	8.3	7.1	8.4	8.0
Rented dwellings	4.6	6.3	3.5	1.4
Other lodging	1.2	0.9	1.0	1.3
Fuel, utilities, etc.	6.3	7.0	5.9	4.1
Household operations	1.3	1.0	1.0	1.1
Housefurnishings, equip.	3.5	3.6	3.4	3.2
Apparel & services	4.7	4.8	4.3	4.2
Transportation	17.3	19.9	18.1	13.5
Health care	3.7	4.0	3.2	2.4
Entertainment	3.8	3.9	3.7	3.4
Personal care	0.8	0.8	0.7	0.6
Education	1.1	0.6	0.8	1.1
Other (tobacco, insurance, contributions, etc.)	11.6	13.2	12.5	12.1

* Covers only those households which furnished information on major sources of income.

Source: U.S. Bureau of Labor Statistics,
Consumer Expenditure Survey (USD: 84-514)

CONSUMER EXPENDITURES

Among the variations in spending patterns, it will be noted that in households headed by persons age 25 to 44, spending for owned dwellings takes a share of income that is considerably above average. Younger households (heads under 25) have less to spend, and save less than other groups. Their pattern in spending shows a higher percentage of income going for food, for transportation and for rent, among other things.

Personal Consumption Expenditures For Apparel & Homefurnishings

Based on U.S. Bureau of Census data, following are figures on personal consumption expenditures for selected categories. This represents the total value at retail of merchandise reaching the consumer, including sales through retail outlets as well as through other sources.

Personal Consumption Expenditures For Apparel, Footwear & Homefurnishings, 1981-1983

	Millions of \$			% To Disposable Income		
	1983	1982	1981	1983	1982	1981
Clothing & accessories (not incl. military clothing, jewelry, or footwear)*	\$106,429	\$ 99,920	\$ 95,778	4.6%	4.6%	4.7%
Women's, girls', infants'	70,566	65,383	62,779	3.0	3.0	3.1
Women's (estimated)	55,000	51,000	49,000			
Men's & boys'	35,863	33,907	32,999	1.5	1.6	1.6
Men's (estimated)	30,500	28,800	28,000			
Footwear, total	20,455	19,350	18,395	0.9	0.9	0.9
Women's, girls', infants' (est.)	11,864	11,668	11,037			
Women's (estimated)	10,514	10,352	9,749			
Men's & boys' (estimated)	8,591	7,682	7,358			
Men's (estimated)	7,630	6,637	6,438			
Homefurnishings, total	116,067	105,437	102,753	5.0	4.8	5.0
Furniture & bedding	21,385	19,421	18,853			
Major appliances, elec. housewares	21,837	19,911	19,508			
Dinnerware, tableware, glassware	10,738	9,756	9,388			
Other durable homefurnishings**	23,308	20,621	20,192			
Floor coverings	8,481	7,413	7,483			
Semi-durable homefurnishings***	11,932	11,058	10,453			
Home entertainment (TV, radios, records, electronic sys.)	26,867	24,675	24,359			

* Luggage is included in the apparel classification.

** Includes floor coverings, blankets, pillows, picture frames, art products, lamps, hand and power tools, etc.

*** Mainly textile homefurnishings except where included above. Includes piece goods for homefurnishings; also lamp shades, brooms, brushes.

Source: Based on reports from the Department of Commerce, Office of Business Economics.

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COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans.

DEPARTMENT STORE SALES: Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying head-quarter location. Also lists branch store sales, where available. Sale information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included.

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FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits.

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HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

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INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRIC HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more.

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits.

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Fairchild Publications, New York**

**Women's Inner Fashions:
Nightwear, Daywear
and Loungewear**

FAIRCHILD FACT FILE

Prepared by
Market Research Division
Audrey S. Balchen, Director
Kenneth Greenman, Research Analyst

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WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR

Market Trends

Women's inner fashions, a diverse grouping of many different items, are experiencing a period of growth that is unevenly distributed by product classification. While the Christmas 1984 retail season may not have lived up to some expectations, the two extra days of selling helped stores come out of it in good shape. Intimate apparel executives are projecting substantial gains for 1985. Increases of 10-15% are expected for established lines while gains of as high as 40% are seen for newer, faster growing ones. Maidenform, for example, projects an increase of more than 30% in sleepwear but just 15% in more established businesses such as foundations and daywear.

The industry is saturated with price promotions at both the manufacturer and retail levels. The "30%-off sales" have become common to the point that customers no longer expect to pay full price, particularly for foundations. Although manufacturers and stores blame these promotions for lowering profits, neither seem willing to cut down on them at this point.

The introduction of androgynous products into the marketplace has had a significant impact on inner fashion merchandising. The trend-setting Calvin Klein underwear collection may achieve retail sales of \$70 million in 1985, with sleepwear and loungewear products to follow. Other manufacturers seem to be divided as to whether this "fashion statement" has reached its peak and a return to "more femininely detailed" products is imminent.

A good start to early spring selling at retail has bolstered manufacturers' hopes for the warmwear and fall transitional market. Store inventories are running low and reorders are strong, with sleepwear doing particularly well.

Some sleepwear lines are being restructured to increase fabric diversity with fabrics such as Du Pont's Monece, its co-spun Dacron polyester and Antron III nylon. Executives feel that there is a need for such innovation to be applied to daywear as well.

New lines are being introduced targeted to the ever-increasing number of working women. Miss Elaine, the branded lingerie and loungewear house, has come out with its "updated contemporary" M.E. line. Prices will be 15-30% higher than those of its traditional line.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census is in the process of releasing its complete census of all manufacturers in the nation. Compiled every five years, preliminary 1982 data on the women's inner fashion market is now available. The statistics presented in this section are primarily 1982 Census figures with some 1983 and 1984 data supplied by other sources.

GENERAL INDUSTRY STATISTICS

The following tables show the general decline in quantity of inner fashion-related companies and their employees since the 1977 Census of Manufactures was compiled. Compared with 1981, employment in all four segments has also declined--12% in the women's underwear industry, 7% in brassieres, 10% in knit underwear mills and 10% in robes & dressing gowns. The 1981 data is based on the Census Bureau's annual survey of manufactures, which is a sample survey conducted each year between censuses.

Value of industry shipments have risen significantly in these four industries since the 1977 Census. These prices are in current dollars, so inflation should be one factor taken into consideration when making comparisons.

Women's, Misses', Children's & Infants' Underwear & Nightwear (SIC 2341*)

	<u>1982(p)</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Number of companies	470	548	- 14.2%
Number of establishments, total**	605	698	- 13.3
Number with 20 or more employees	423	479	- 11.7
Employees, total (thous.)	68.1	72.9	- 6.6
Production workers (thous.)	57.7	63.4	- 9.0
Payroll (mil. \$)	\$ 644.4	\$ 472.1	+ 36.5
Value added by manufacture (mil. \$) #	na	915.3	--
Value of industry shipments (mil. \$) ##	2,623.3	1,780.8	+ 47.3
Capital expenditures, new (mil. \$)	30.5	18.7	+ 63.1

Brassieres, Girdles & Allied Products (SIC 2342*)

	<u>1982(p)</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Number of companies	131	150	- 12.7%
Number of establishments, total**	150	180	- 16.7
Number with 20 or more employees	96	116	- 17.2
Employees, total (thous.)	13.6	18.9	- 28.0
Production workers (thous.)	11.1	15.2	- 27.0
Payroll (mil. \$)	\$ 138.9	\$ 141.1	- 1.6
Value added by manufacture (mil. \$) #	na	334.4	--
Value of industry shipments (mil. \$) ##	695.3	650.0	+ 7.0
Capital expenditures, new (mil.\$)	7.4	4.2	+ 76.2

(continued)

GENERAL INDUSTRY STATISTICS

Knit Underwear Mills (SIC 2254*)

	<u>1982(p)</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	70	80	- 12.5%
Number of establishments, total **	85	92	- 7.6
Number with 20 or more employees	62	74	- 16.2
Employees, total (thous.)	22.6	25.2	- 10.3
Production workers	20.3	23.4	- 13.2
Payroll (mil. \$)	\$ 235.5	\$ 175.2	+ 34.4
Value added by manufacture (mil. \$) #	na	305.7	--
Value of industry shipments (mil. \$) ##	841.4	648.9	+ 29.7
Capital expenditures, new (mil. \$)	9.4	14.5	+ 35.2

Robes & Dressing Gowns (SIC 2384*)

	<u>1982(p)</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	128	136	- 5.9%
Number of establishments, total **	135	152	- 11.2
Number with 20 or more employees	83	99	- 16.2
Employees, total (thous.)	9.3	9.6	- 3.1
Production workers (thous.)	8.1	8.3	- 2.4
Payroll (mil. \$)	\$ 88.0	\$ 65.1	+ 35.2
Value added by manufacture (mil. \$) #	193.1	141.9	+ 36.1
Value of industry shipments (mil. \$) ##	403.6	293.6	+ 37.5
Capital expenditures, new (mil. \$)	3.9	3.3	+ 18.2

(p) preliminary na not available

* Manufacturers are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made, as shown below:

SIC 2341 - This industry comprises establishments primarily engaged in manufacturing women's, misses', children's and infants' underwear and nightwear cut and sewed from purchased woven or knit fabric.

SIC 2342 - This industry comprises establishments primarily engaged in manufacturing brassieres, girdles, corsets, corset accessories, and allied garments.

SIC 2254 - This industry comprises establishments primarily engaged in knitting underwear and nightwear from yarn or in manufacturing underwear and nightwear from knit fabric produced in the same establishments. Industry figures include underwear and nightwear for both men and women as well as for children and infants.

SIC 2384 - This industry comprises establishments primarily engaged in manufacturing men's and women's robes and dressing gowns.

**Each business location is counted as a separate establishment.

(footnotes continued)

GENERAL INDUSTRY STATISTICS

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value of measure of individual industries.

##Value of industry shipments represents the net selling values, f.o.b., plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). (For value of product shipments, only, including shipments by all producers, see page 14).

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Preliminary Report, Industry Series MC 82-1

Apparent Consumption

Apparent consumption is defined as domestic shipments plus imports minus exports. U.S. apparent consumption of women's & children's underwear has increased by 7.5% in units and 16.1% in dollars from 1982 to 1983. Apparent consumption of pajamas is up 5.2% and 4.0%, respectively, over the same period.

U.S. Apparent Consumption of Women's & Children's Underwear & Pajamas, 1983

	QUANTITY (Thous. Dozen)			Apparent Consumption
	<u>Shipments</u>	<u>Exports</u>	<u>Imports</u>	
Women's, girls' & infants':				
Underwear	64,274	2,495	10,165	71,944
Pajamas	20,525	293	1,645	21,878
	VALUE (Mil. \$)			Apparent Consumption
	<u>Shipments</u>	<u>Exports*</u>	<u>Imports**</u>	
Underwear	\$ 1,083.5	\$ 24.5	\$ 80.9	\$ 1,138.2
Pajamas	1,252.8	10.1	79.9	1,312.9

* Estimated producers' value, which excludes freight, insurance and other charges incurred in moving goods to the port of export.

**C.I.F. value at first port of entry in the U.S. plus import duties. For a further explanation of C.I.F. value, see the Import section on page 17.

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA23G(83)-1

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Figures on employment compiled by the U.S. Bureau of Labor Statistics show that the nation's economic recovery has had a positive impact on women's inner fashion industries. These figures are not directly comparable with Census data on employment due to a difference in the methodology used.

Employment & Earnings in Selected Women's Inner Fashion Industries

	Jan.-Sept. Average			Annual Averages		
	1984	1983	% Change 1984/83	1983	1982	% Change 1983/82
Knit underwear mills:						
All employees (thous.)	30.9	29.7	+ 4.0%	30.1	28.7	+ 4.9%
Production workers (thous.)	26.6	25.2	+ 5.5	25.6	24.2	+ 5.8
Average weekly earnings	\$208.20	\$197.19	+ 5.6	\$199.50	\$177.33	+ 12.5
Average hourly earnings	5.54	5.30	+ 4.5	5.32	5.17	+ 2.9
Average weekly hours	37.6	37.2	+ 1.1	37.5	34.3	+ 9.3
Women's & children's underwear:						
All employees (thous.)	71.5	66.6	+ 7.4	67.8	67.5	+ 0.4
Production workers (thous.)	61.8	57.6	+ 7.3	58.7	58.7	--
Average weekly earnings	\$182.36	\$173.13	+ 5.3	\$176.05	\$161.12	+ 9.3
Average hourly earnings	4.94	4.79	+ 3.1	4.81	4.63	+ 3.9
Average weekly hours	36.9	36.2	+ 1.9	36.6	34.8	+ 5.2
Women's brassieres & allied garments						
All employees (thous.)	16.4	16.0	+ 2.5	16.2	16.0	+ 1.2
Production workers (thous.)	12.3	12.0	+ 2.5	12.1	12.1	--
Average weekly earnings	\$204.79	\$184.72	+ 10.9	\$189.02	\$171.02	+ 10.5
Average hourly earnings	5.57	5.24	+ 6.3	5.28	5.09	+ 3.7
Average weekly hours	36.8	35.2	+ 4.5	35.8	33.6	+ 6.5

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings.

Employment Size

The Women's Inner Fashion Industry by Employment Size, 1982

	Establishments		Employees	
	Number	% of Total	Number (Thous.)	% of Total
Women's & children's underwear & nightwear (SIC 2341), total	587	100.0%	70.4	100.0%
Under 20 employees	157	26.7	na	--
20-99 employees	208	35.4	11.2	15.9
100-499 employees	204	34.7	45.5	64.6
500 or more employees	18	3.1	na	--

(continued)

GENERAL INDUSTRY STATISTICS

Employment SizeThe Women's Inner Fashion Industry by Employment Size, 1982
(continued)

	Establishments		Employees	
	Number	% of Total	Number (Thous.)	% of Total
Brassieres & allied garments (SIC 2342), total	144	100.0%	14.1	100.0%
Under 20 employees	50	34.7	0.3	2.1
20-99 employees	53	36.8	2.8	19.9
100-499 employees	36	25.0	7.9	56.0
500 or more employees	5	3.5	3.1	22.0
Knit underwear mills (SIC 2254), total	84	100.0	24.4	100.0
Under 20 employees	17	20.2	0.1	0.4
20-99 employees	27	32.1	1.6	6.5
100-499 employees	28	33.3	6.6	27.0
500 or more employees	12	14.3	16.1	66.0
Robes & dressing gowns (SIC 2384), total	135	100.0	9.3	100.0
Under 20 employees	52	38.5	0.3	3.2
20-99 employees	54	40.0	2.5	26.9
100-499 employees }	29	21.5	6.5	69.9
500 or more employees }				

Source: U.S. Bureau of the Census,
County Business Patterns, 1982
Census of Manufactures, 1982

na not available

Note: Totals may not equal 100.0% due to rounding.

For description of SIC classifications, see page 3.

Concentration in the Industry

The Census Bureau will not release Concentration Ratios in Manufacturing for 1982 until late this year. As a result, the most recent data available on this are ratios from the 1977 Census of Manufactures.

The 50 largest firms (ranked on shipment value) in the women's and children's underwear industry controlled 63% of the industry shipment value in 1977, although they accounted for only 9% of all firms classified in the industry. A fifth of the value of shipments in this industry was attributed to the top four firms alone.

In the three remaining industries--brassieres and allied garments, knit underwear mills, and robes and dressing gowns--the 50 leading companies accounted for over 90% of the industry shipment value.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

Percent of Selected Industry Activity Accounted For By the 50 Largest Companies in Each Industry, 1977

	<u>Companies</u>	<u>Plants</u>	<u>Value Added by Manufacture</u>	<u>Value of Industry Shipments</u>
Women's & children's underwear (SIC 2341), total	548	698	\$ 915.3	\$ 1,780.3
Share accounted for by:				
4 largest companies	0.7%	4.2%	19.9%	21.5%
8 largest companies	1.4	6.8	29.2	27.5
20 largest companies	3.6	11.7	42.7	41.7
50 largest companies	9.1	22.7	63.1	63.2
Brassieres & allied garments (SIC 2342), total	150	180	\$ 334.4	\$ 650.0
Share accounted for by:				
4 largest companies	2.7%	7.8%	38.4%	36.4%
8 largest companies	5.4	13.4	55.4	52.2
20 largest companies	13.4	25.1	77.0	77.2
50 largest companies	33.4	43.4	92.1	92.3
Knit underwear mills (SIC 2254), total	80	92	\$ 305.7	\$ 648.9
Share accounted for by:				
4 largest companies	5.0%	6.5%	37.0%	42.1%
8 largest companies	10.0	13.0	53.6	58.5
20 largest companies	25.0	32.6	83.0	84.5
50 largest companies	62.5	67.4	98.3	98.6
Robes & dressing gowns (SIC 2384), total	137	151	\$ 139.5	\$ 288.3
Share accounted for by:				
4 largest companies	2.9%	5.3%	21.8%	25.3%
8 largest companies	5.8	10.6	34.1	43.6
20 largest companies	14.6	21.2	62.6	69.1
50 largest companies	36.5	41.7	84.9	90.2

For description of SIC classifications, see page 3.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977,
Concentration Ratios in Manufacturing,
MC77-SR-9.

GENERAL INDUSTRY STATISTICS

Leading States

New York is clearly the predominant state in the production of women's inner fashions. It leads in industry shipments of women's & children's underwear, brassieres & allied garments and robes & dressing gowns. North Carolina has the most shipments coming out of knit underwear mills.

Percent of Inner Fashion Industry Activity Accounted For By Leading States, 1982

	<u>Value of Industry Shipments (\$ in millions)</u>
Women's & children's underwear (SIC 2341), total	\$ 2,623.3
Leading states:	
New York	20.1%
Pennsylvania	8.2
New Jersey	6.9
Georgia	6.1
Brassieres & allied garments (SIC 2342), total	\$ 695.3
Leading states:	
New York	29.1%
Georgia	21.2
California	12.7
New Jersey	7.7
Knit underwear mills (SIC 2254), total	\$ 841.4
Leading states:	
North Carolina	25.1%
Pennsylvania	18.2
New York	7.4
Georgia	5.5
Robes & dressing gowns (SIC 2384), total	\$ 403.6
Leading states:	
New York	42.0
South Carolina	12.9
California	9.6
Tennessee	2.1

For description of SIC classifications, see page 3.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Preliminary Report, Industry Series MC82-1

GENERAL INDUSTRY STATISTICS

Leading States

Despite the industry-wide decline in inner fashion-related companies and their employees from 1977 to 1982, New York has maintained its position as the industry's leading employer as well as having the highest value of shipments. Two other leading states that are having an increasingly important impact on the industry are Pennsylvania and New Jersey.

Inner Fashion Industry Activity in New York, Pennsylvania, New Jersey, 1977 & 1982

	New York			Pennsylvania			New Jersey		
	1982	1977	% Change 1982/77	1982	1977	% Change 1982/77	1982	1977	% Change 1982/77
Women's & children's underwear (SIC 2341)									
Number of establishments, total	188	266	- 29.3%	67	83	- 19.3%	33	37	- 10.8%
Number with 20 or more employees	84	132	- 36.4	60	69	- 13.0	21	21	--
Employees, total (thous.)	6.2	8.8	- 29.5	7.6	8.2	- 7.3	3.2	2.0	+ 60.0
Production workers (thous.)	5.0	7.0	- 28.6	6.9	7.0	- 1.4	2.3	1.8	+ 27.8
Payroll (mil. \$)	\$ 73.5	70.1	+ 4.8	\$ 69.6	51.7	+ 34.6	\$ 34.4	12.7	+170.9
Value of industry shipments (mil. \$)	527.2	416.6	+ 26.5	214.0	158.4	+ 35.1	182.4	53.2	+242.9
Capital expenditures, new (mil. \$)	1.9	1.7	+ 11.8	1.9	2.0	- 5.0	na	na	--
Brassieres & allied garments (SIC 2342)									
Number of establishments, total	59	66	- 10.6	14	16	- 12.5	18	14	+ 28.6
Number with 20 or more employees	32	34	- 5.9	10	13	- 23.1	9	6	+ 50.0
Employees, total (thous.)	3.6	3.8	- 5.3	1.4	1.4	--	0.7	1.4	- 50.0
Production workers (thous.)	2.9	2.8	+ 3.6	1.2	1.3	- 7.7	0.5	0.9	- 44.4
Payroll (mil. \$)	\$ 39.5	31.0	+ 27.4	\$ 14.5	9.6	+ 51.0	\$ 8.6	13.7	- 37.2
Value of industry shipments (mil. \$)	202.1	161.0	+ 25.4	48.4	29.5	+ 64.1	53.5	87.2	- 38.6
Capital expenditures, new (mil. \$)	1.8	0.9	+100.0	0.2	0.1	+100.0	na	na	--

na not available

For description of SIC classifications, see page 3.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Preliminary Report, Geographic Area
Series MC82-A-2

PRODUCTION

Official estimates of the annual U.S. production and value of shipments of specified women's innerwear and nightwear items are released by the Census Bureau as part of the Current Industrial Reports series. The estimates are based on a survey of manufacturers, contractors and jobbers and includes items cut in the U.S. and sent outside the country to be sewn, as well as products from Puerto Rican plants.

PRODUCTION

The 1983 report on underwear & nightwear shows a modest increase in the quantity of women's inner fashions produced over the year before. Panties account for the bulk of the production at an estimated 36,1/2 thousand dozen units. The largest increase came in the production of union suits/camisoles/thermal underwear, with a 26.6% gain from 1982 to 1983.

Production Quantity of Women's Innerwear & Nightwear by All U.S. Producers-- 1982, 1983

	1983 Quantity (Thous. Doz.)	% Change 1983/1982
Women's, misses' & juniors':		
Full-length slips	2,985	+ 1.1%
Half-slips, excluding pettipants	2,563	+ 2.2
Panties, including pettipants	36,172	+ 2.1
Union suits, camisoles, thermal underwear, etc.	4,183	+ 26.6
Nightgowns & sleepcoats, excluding sets with robes	9,882	+ 1.0
Pajamas, except sets with robes	1,797	+ 0.4
Peignoir & robe sets with nightgown or pajamas	1,065	+ 2.1
Separate bedjackets & peignoirs, excluding lounge robes	130	- 3.0
Robes, dressing gowns, housecoats, etc.	2,813	+ 6.1

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Underwear & Nightwear MA23G(83)-1.

The CIR on women's innerwear and nightwear provides detailed production information on fabric and construction use. Comparable data for earlier years is not available at this level of detail.

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1983

	Thous. Dozen	% of Total
Full length slips	2,985	100.0%
By construction:		
Woven fabric	518	17.3
Knit fabric	2,388	80.0
Fabric, n.s.k.	79	2.6
By fabric:		
All cotton & chiefly cotton	90	3.0
All man-made & chiefly man-made	2,291	76.7
All other fabric }		
Fabric, n.s.k. }	604	20.2

(continued)

PRODUCTION

Production of Reported Types of Women's Innerwear & Nightwear
By Fabric & Construction, 1982
(continued)

	Thous. Dozen	% of Total
Half-slips, excluding pettipants	2,563	100.0%
By construction:		
Woven fabric	489	19.1
Knit fabric	1,901	74.2
Construction, n.s.k.	173	6.7
By fabric:		
All cotton & chiefly cotton	59	2.3
All man-made & chiefly man-made	2,326	90.7
Fabric, n.s.k.	178	6.9
Panties, including pettipants	36,172	100.0
By construction:		
Woven fabric	898	2.5
Knit fabric	33,558	92.8
Construction, n.s.k.	1,716	4.7
By fabric:		
All cotton & chiefly cotton	9,351	25.8
All man-made & chiefly man-made	25,187	69.6
All other fabric }		
Fabric, n.s.k. }	1,634	4.5
Union suits, camisoles, thermal underwear, etc.	4,183	100.0
By construction:		
Woven fabric	39	0.9
Knit fabric	3,434	82.1
Construction, n.s.k.	710	17.0
By fabric:		
All cotton & chiefly cotton	309	7.4
All man-made & chiefly man-made	3,122	74.6
All other fabric }		
Fabric, n.s.k. }	752	18.0
Nightgowns & sleepcoats, excluding sets with robes	9,882	100.0
By construction:		
Woven fabric	3,782	38.3
Knit fabric	5,647	57.1
Construction, n.s.k.	453	4.6
By fabric:		
All cotton & chiefly cotton	1,563	15.8
All man-made & chiefly man-made	7,901	79.9
All other fabric }		
Fabric, n.s.k. }	418	4.2

(continued)

PRODUCTION

Production of Reported Types of Women's Innerwear & Nightwear By Fabric & Construction, 1983 (continued)

	Thous. Dozen	% of Total
Pajamas, except sets with robes	1,797	100.0%
By construction:		
Woven fabric	940	52.3
Knit fabric	823	45.8
Construction, n.s.k.	34	1.9
By fabric:		
All cotton & chiefly cotton	226	12.6
All man-made & chiefly man-made }		
All other fabric }	1,538	85.6
Fabric, n.s.k.	33	1.8
Peignoir & robe sets with nightgown or pajamas	1,065	100.0
By construction:		
Woven fabric	225	21.1
Knit fabric	532	49.9
Construction, n.s.k.	308	28.9
By fabric:		
All cotton & chiefly cotton	29	2.7
All man-made & chiefly man-made }		
All other fabric }	709	66.6
Fabric, n.s.k.	327	30.7
Separate bedjackets & peignoirs, excluding lounge robes	130	100.0
By construction:		
Woven fabric	62	47.7
Knit fabric	38	29.2
Construction, n.s.k.	30	23.1
By fabric:		
All cotton & chiefly cotton	19	14.6
All man-made & chiefly man-made	81	62.3
Fabric, n.s.k.	30	23.1
Robes, dressing gowns, housecoats, etc.	2,813	100.0
By construction:		
Woven fabric	1,460	51.9
Knit fabric	1,056	37.5
Construction, n.s.k.	297	10.5
By fabric:		
All cotton & chiefly cotton	361	12.8
All man-made & chiefly man-made	2,197	78.1
All other fabric }		
Fabric, n.s.k. }	255	9.1

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Underwear & Nightwear MA23G(83)1.

PRODUCTION

Materials Consumed in Production

The amount of fiber consumed in the production of women's and children's innerwear and nightwear increased 12.2% in 1983 over the previous year. This gain, to 198.3 million pounds, reversed a continuous decline in reported consumption from 1978 to 1982, during which there was a 46.3% drop.

Fiber use in the production of robes & loungewear rose 10.3% in 1983, following a 30% decline in 1982 compared with 1981.

Consumption of Fibers in the Production of Women's & Children's Innerwear & Nightwear, 1981-1983

	Millions of Pounds			% Change 1983/1982
	1983	1982	1981	
Innerwear & nightwear, total*	198.3	176.8	202.4	+ 12.2%
Man-made fibers, total	153.0	136.1	162.0	+ 12.4
Cellulosic	12.5	10.9	18.3	+ 14.7
Non-cellulosic	140.5	125.2	143.7	+ 12.6
Cotton	44.3	39.7	39.2	+ 11.6
Wool	1.0	1.0	1.2	--
Robes & loungewear, total**	91.8	83.2	119.3	+ 10.3
Man-made fibers, total	74.8	67.4	102.5	+ 11.0
Cellulosic	39.0	34.5	44.8	+ 13.0
Non-cellulosic	35.8	32.9	57.7	+ 8.8
Cotton	14.4	13.5	14.0	+ 6.7
Wool	2.6	2.3	2.8	+ 13.0

* Excludes trim, elastic webbing, apparel lace, braid or narrow fabric used.

** Includes men's and boys' beach and bath robes, dressing gowns and smoking jackets as well as women's beach and bath robes and housecoats.

Source: Textiles Economics Bureau, Inc.
Textile Organon, September 1984

SHIPMENTS

The Census Bureau's 1983 report on the value of shipments of underwear and nightwear shows that nightgowns & sleepcoats have the highest dollar value assigned to them when they leave the factory. They accounted for 31.9% of the total value for this product classification. Panties, with 22.0% of the total, had the largest gain from 1982 to 1983--22.5%.

SHIPMENTS

Value of Shipments of Women's Innerwear & Nightwear by All U.S. Producers-- 1982, 1983

	Value of Shipments 1983 (Mil. \$)	% Change 1983/1982
Women's, misses' & juniors':		
Full-length slips	\$ 185.4	+ 2.8%
Half-slips, excluding pettipants	113.8	+ 6.4
Panties, including pettipants	484.3	+ 22.5
Union suits, camisoles, thermal underwear, etc.	134.1	+ 18.5
Nightgowns & sleepcoats, excluding sets with robes		
Pajamas, except sets with robes	700.9	+ 3.3
Peignoir & robe sets with nightgown or pajamas	104.4	+ 1.5
Separate bedjackets & peignoirs, excluding lounge robes	123.1	+ 3.4
Robes, dressing gowns, housecoats, etc.	15.6	- 1.3
	337.0	+ 10.5

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Underwear & Nightwear MA-23G(83)-1.

Shipments of brassieres, girdles & allied garments totaled 21,366 thousand dozen units in 1983 at a value of \$973 million. Brassieres, bra-lettes & bandeaux accounted for the bulk of this, both in unit and dollar volume. Puerto Rican production of brassieres increased significantly from 1982 to 1983.

Quantity & Value of Shipments of Brassieres, Girdles & Allied Garments From Domestic & Puerto Rican Producers, 1982, 1983

	Quantity (Thous. Dozen)			Value of Shipments (Mil. \$)		
	1983	1982	% Change 1983/1982	1983	1982	% Change 1983/1982
Brassieres, girdles & allied garments, total	21,366	20,298	+ 5.3%	\$973.0	\$904.7	+ 7.5%
Domestic producers	14,117	14,062	+ 0.4	621.2	608.6	+ 2.1
Puerto Rican producers	7,249	6,236	+ 16.2	351.8	296.1	+ 18.8
Brassieres, bra-lettes & bandeaux, total	17,761	16,629	+ 6.8	766.3	707.2	+ 8.4
Domestic producers	11,574	11,430	+ 1.3	455.1	451.1	+ 0.9
Puerto Rican producers	6,187	5,199	+ 19.0	311.2	256.1	+ 21.5
Girdles & other foundation garments, total	3,605	3,669	- 1.7	206.7	197.5	+ 4.7
Domestic producers	2,543	2,632	- 3.4	166.1	157.5	+ 5.5
Puerto Rican producers	1,062	1,037	+ 2.4	40.6	40.0	+ 1.5

Source: U.S. Bureau of the Census, Current Industrial Reports,
Brassieres, Girdles & Allied Garments MA-23J(83)-1.

SHIPMENTS

Shipments of Women's Foundation Garments by All U.S. Producers,
By Factory (Wholesale) Price Line, 1982, 1983

	(Thous. Dozen) 1983	1982	% Change 1983/1982
Brassieres, bra-lettes & bandeaux	17,761	16,629	+ 6.8%
Brassieres (with band 3" or more) excluding bra-lettes	489	507	- 3.5
Bra-lettes (hip-length with garters) including briefers	36	51	- 29.4
Bandeaux (with less than 3" bands)	17,236	16,071	+ 7.2
Strap, regular	11,927	10,853	+ 9.9
\$12.75 & under per dozen	317	412	- 23.0
\$12.76 to \$15.50 per dozen	606	637	- 4.9
\$15.51 to \$19.25 per dozen	1,085	926	+ 17.2
\$19.26 to \$30.00 per dozen	1,991	1,754	+ 13.5
\$30.01 & over per dozen	7,928	7,124	+ 11.3
Strap, padded or contour-lined	4,284	4,283	--
Strapless or convertible	1,025	935	+ 9.6
Girdles, corsets & other foundation garments	3,605	3,669	- 1.7
Corsets (back-laced or front-laced)	6	5	+ 20.0
Girdles	3,094	3,166	- 2.3
Girdles (with opening) including girdles made of latex	653	620	+ 5.3
\$36.00 & under per dozen	183	212	- 13.7
\$36.01 to \$65.99 per dozen	285	271	+ 5.2
\$66.00 to \$95.99 per dozen	100	81	+ 23.4
\$96.00 & over per dozen	85	56	+ 51.8
Girdles (without opening) including girdles made of latex	2,441	2,546	- 4.1
\$30.00 & under per dozen	793	1,010	- 21.5
\$30.01 to \$51.00 per dozen	690	635	+ 8.7
\$51.01 & over per dozen	958	901	+ 6.3
Combination of one-piece garments (corselets)	279	298	- 6.4
Maternity foundation garments (including corsets & combination)	82	63	+ 30.1
Garter belts	144	137	+ 5.1

Note: Includes foundation garments made in Puerto Rican plants.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Brassieres, Girdles and Allied Garments,
MA-23J(83)-1.

PRODUCER PRICE INDEX

Prices of brassieres, girdles, panties, slips and nightgowns rose faster at the producer (factory) price level during the first ten months of 1984 than did the overall price of women's apparel. The biggest gainer was girdle items which increased 5.2% from the first ten months of 1983. The highest price level is that of brassieres, which were the second fastest gainer with an increase for the year of 3.5%

PRODUCER PRICE INDEX

Producer Price Indexes of Selected Types of Women's Innerwear & Nightwear, 1982, 1983 & Jan.-Oct. 1983, 1984 (1967=100 unless otherwise indicated)

	Jan.-Oct. Averages			Annual Averages		
	1984	1983	% Change 1984/1983	1983	1982	% Change 1983/1982
All commodities	310.2	302.5	+ 2.5%	303.1	299.3	+ 1.3%
Apparel, total	200.7	197.0	+ 1.9	197.4	194.4	+ 1.5
Women's	178.8	176.4	+ 1.4	176.8	173.1	+ 2.1
Brassieres	228.9	221.2	+ 3.5	221.7	215.3	+ 3.0
Girdles, corsets, combinations & accessories	186.6	177.4	+ 5.2	177.2	173.7	+ 2.0
Panties (12/77=100)	153.7	150.4	+ 2.2	150.6	143.6	+ 4.9
Slips, half-slips & petticoats (12/77=100)	145.9	142.4	+ 2.4	142.8	142.7	--
Nightgowns & sleepcoats	161.7	158.6	+ 1.9	158.8	152.8	+ 3.9

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

Imports of women's and children's inner fashions during the first three quarters of 1984 were up significantly over the corresponding 1983 period. These gains, both in the quantity imported for consumption and their customs (C.I.F.) value, exceeded increases for yearend 1983 versus yearend 1982 (see following table).

According to the Census Bureau, the number of brassieres imported into the U.S. increased 7.8% from January to September 1984 over the same nine months in 1983. Their valuation was 13.4% more. Corsets, garters & other body-supporting garments had an even larger gain--the quantity imported rose 37.5% while the customs value improved 42.4%.

In other inner fashion categories, undergarment imports increased 37.9% in quantity and 54.8% in value while pajamas registered gains of 25% and 34%, respectively. Dressing gowns & robes were up 26.9% and 39.9% during the first three quarters of 1984.

Imports of Women's & Children's Innerwear & Nightwear By Leading Countries of Origin, 1982, 1983

	Quantity (Thous. Dozen)			C.I.F. Value* (Mil. \$)		
	1983	1982	% Change 1983/82	1983	1982	% Change 1983/82
Brassieres, total	12,331.4	11,521.5	+ 7.0%	\$ 166.7	\$ 157.4	+ 5.9%
Cotton	270.3	136.2	+ 98.5	3.6	1.8	+100.0
Philippines	136.3	91.7	+ 48.6	1.6	1.0	+ 60.0
Hong Kong	42.9	nr	--	0.4	nr	--
Man-made fibers	12,039.9	11,378.1	+ 5.8	162.3	155.3	+ 4.5
Philippines	2,592.7	2,530.9	+ 2.4	26.6	25.0	+ 6.4
Costa Rica	1,931.8	1,503.6	+ 28.5	24.1	18.1	+ 33.1

(continued)

FOREIGN TRADE

Imports

Imports of Women's & Children's Innerwear & Nightwear
By Leading Countries of Origin, 1982, 1983
 (continued)

	Quantity (Thous. Dozen)			C.I.F. Value* (Mil. \$)		
	1983	1982	% Change 1983/82	1982	1981	% Change 1983/82
Brassieres (continued)						
All other materials	21.2	7.2	+194.4%	\$ 0.8	\$ 0.3	+166.7%
Netherlands	7.1	nr	--	0.2	nr	--
United Kingdom	5.9	nr	--	0.2	nr	--
Corsets, garters & other body-supporting garments	843.2	nr	--	15.8	12.9	+ 22.5
Mexico	252.7	nr	--	5.8	4.2	+ 38.1
Haiti	126.4	nr	--	1.2	1.4	- 14.3
Undergarments, nspf, of textile materials, total	11,941.0	8,802.0	+ 35.7	126.4	108.3	+ 16.7
Not knit	1,594.8	1,399.1	+ 14.0	52.4	46.8	+ 12.0
Hong Kong	591.4	546.7	+ 8.2	21.5	20.0	+ 7.5
China	261.6	133.3	+ 96.2	7.0	5.2	+ 34.6
Knit	10,346.2	7,402.9	+ 39.8	74.0	61.5	+ 20.3
Hong Kong	5,562.5	4,159.3	+ 33.7	27.6	21.3	+ 29.6
Dominican Republic	1,072.3	853.2	+ 25.7	11.1	10.3	+ 7.8
Pajamas, cotton, not knit	381.9	455.1	- 16.1	13.9	18.8	- 26.1
Hong Kong	250.2	358.2	- 30.1	9.3	14.8	- 37.2
Dominican Republic	23.4	nr	--	0.7	nr	--
Dressing gowns & robes, not knit, total	431.0	353.4	+ 22.0	26.9	22.3	+ 20.6
Cotton	291.6	258.3	+ 12.9	18.5	15.6	+ 18.6
Hong Kong	88.4	109.5	- 19.3	4.2	4.9	- 14.3
China	52.5	41.8	+ 25.6	2.5	1.7	+ 47.1
Wool or man-made fiber	132.9	91.7	+ 44.9	7.2	5.9	+ 22.0
Hong Kong	58.9	58.9	--	2.8	3.2	- 12.5
China	37.4	16.1	+132.3	1.7	1.1	+ 54.5
Silk	6.5	3.4	+ 91.2	1.2	0.8	+ 50.0
Hong Kong	2.6	1.7	+ 52.9	0.6	0.4	+ 50.0
China	2.3	0.8	+187.5	0.3	0.1	+200.0

nr not reported

nspf not specially provided for

*The C.I.F. (cost, insurance, freight) value is based upon the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
 U.S. General Imports FT 135,
 December 1982, 1983.

FOREIGN TRADE

Exports

The number of women's and children's innerwear and nightwear products exported by U.S. manufacturers rose 5.3% in 1983 over the prior year. Shipments of brassieres, underwear, garters, body-supporting garments, pajamas/nightwear and robes/dressing gowns totaled \$12,217 thousand dozen units for the year. The value of these exports was down 4.8%, however, due in part to the effect of a strong dollar.

Of the six inner fashion categories mentioned above, only one--brassieres--had increased exports in 1983. Brassieres accounted for 73.7% of the exports reported. The decline in overseas shipments in the other five areas was not as large as that recorded from 1981 to 1982.

U.S. Exports of Women's & Children's Innerwear & Nightwear
1982, 1983

	Quantity (Thous. Dozen)			Value* (Mil. \$)		
	1983	1982	% Change 1983/82	1983	1982	% Change 1983/82
Total, all reported categories	12,217.0	11,597.5	+ 5.3%	\$130.6	\$137.2	- 4.8%
Brassieres, total	9,007.0	7,309.3	+ 23.2	80.5	68.4	+ 17.7
Cotton	942.6	716.0	+ 31.6	7.4	5.4	+ 37.0
Man-made fibers	6,884.5	5,712.4	+ 20.5	60.8	53.8	+ 13.0
All other materials	1,179.8	880.9	+ 33.9	12.3	9.2	+ 33.7
Underwear, total	2,495.4	3,303.9	- 24.5	26.1	39.8	- 34.4
Not knit	1,042.7	1,637.3	- 36.3	7.9	17.2	- 54.1
Cotton	88.1	221.0	- 60.1	0.5	1.5	- 66.7
Man-made fibers	138.2	456.5	- 69.7	2.4	6.5	- 63.1
All other materials	816.4	959.8	- 14.9	5.0	9.2	- 45.6
Knit	1,452.7	1,666.6	- 12.8	18.2	22.6	- 19.5
Cotton	443.8	687.2	- 35.4	3.9	5.8	- 32.8
Man-made fibers	892.2	838.3	+ 6.4	11.8	13.9	- 15.1
All other materials	116.7	141.1	- 17.3	2.5	2.9	- 13.8
Garters, garter belts & suspenders, total	144.2	169.4	- 14.9	1.1	1.1	--
Body-supporting garments, except brassieres, total	173.8	249.5	- 30.3	4.4	4.9	- 10.2
Pajamas & other nightwear, total	292.4	444.4	- 34.2	10.8	15.0	- 28.0
Not knit	130.5	216.0	- 39.6	5.0	8.5	- 41.2
Cotton	19.2	45.4	- 57.7	0.6	1.5	- 60.0
Man-made fibers	87.5	140.2	- 37.6	3.7	5.7	- 35.1
Wool	2.4	4.5	- 46.7	0.1	0.3	- 66.7
All other materials	21.4	25.9	- 17.4	0.6	1.0	- 40.0
Knit	161.9	228.4	- 29.1	5.8	6.5	- 10.8
Cotton	9.7	31.9	- 69.6	0.4	1.0	- 60.0
Man-made fibers	99.5	147.8	- 32.7	3.2	3.2	--
Wool	7.0	3.9	+ 79.5	0.2	0.1	+100.0
All other materials	45.7	44.8	+ 2.0	2.0	2.2	- 9.1

(continued)

FOREIGN TRADE

ExportsU.S. Exports of Women's & Children's Innerwear & Nightwear1982, 1983
(continued)

	Quantity (Thous. Dozen)			Value* (Mil. \$)		
	1983	1982	% Change 1983/82	1983	1982	% Change 1983/82
Robes & dressing gowns, not knit, total	104.2	121.0	- 13.9%	\$ 7.7	\$ 8.0	- 3.7%
Cotton	42.7	56.2	- 24.0	2.2	2.8	- 21.4
Man-made fibers	59.9	61.7	- 2.9	4.9	5.0	- 2.0
Wool	1.6	3.1	- 48.4	0.6	0.2	+200.0

*The export value is based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. As defined, the value excludes the cost of loading the merchandise aboard the carrier and also excludes freight, insurance and other charges incurred beyond the port of exportation.

Source: U.S. Bureau of the Census,
U.S. General Exports FT 410,
December 1982, 1983.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Over the next 10 years, the size of the U.S. female population aged 16 or older will expand to nearly 103 million women. This increase of 9.1% is somewhat smaller than the projected growth rate of this segment from 1994 to 2005. By the year 2005, there will be more than 113 million women aged 16 or older.

The growth rate cited above will not be evenly distributed by age group, according to the Census Bureau. Children of the baby boom will show large gains for the next decade while the declining birth rate in recent years will limit the number of teenagers over this time frame.

THE POTENTIAL MARKET

Female Population of the U.S., 1984 & Projections to 2005* (In Millions)

	Number (Thousands)			% Change 2005/1984	Percent Distribution		
	1984	1994	2005		1984	1994	2005
Total, all ages	121,343	132,251	141,381	+ 16.5%	100.0%	100.0%	100.0%
Under 5 years	8,904	9,188	8,518	- 4.3	7.3	6.9	6.0
5 to 9 years	7,924	9,415	8,678	+ 9.5	6.5	7.1	6.1
10 to 15 years	10,236	10,745	11,167	+ 9.1	8.4	8.1	7.9
16 years & over	94,279	102,903	113,018	+ 19.9	77.7	77.9	80.0
16 - 19	7,357	6,426	7,707	+ 4.8	6.1	4.9	5.5
20 - 34	31,205	29,068	26,706	- 14.4	25.7	22.0	18.9
35 - 54	27,115	36,202	41,249	+ 52.1	22.3	27.4	29.2
55 - 64	11,834	11,002	15,399	+ 30.1	9.8	8.3	10.9
65 & over	16,678	20,205	21,957	+ 30.9	13.8	15.3	15.5
Median age (years)	32.4	35.6	39.2	+ 21.0	--	--	--

*Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census,
Current Population Reports
Series P-25, No. 952 (May 1984)

The following table covers estimates of the current adult female population in specified height/weight groups, based on an analysis of information from the U.S. Department of Health and Human Services and the U.S. Census Bureau.

Based on current projections, some 15.5 million women in the U.S. population are likely candidates for petite sizes; close to nine million probably look for tall sizes. While other measurements do enter into the size definition, available data is limited to height and weight relationships. There are an estimated 51.5 million women in the U.S. who are five feet three inches or shorter, but most weigh over 120 pounds. Only 30% weigh less than 120 lbs.

THE POTENTIAL MARKET

Estimated Number of Women 16 Years of Age & Over By Height & Weight, 1984 (In Thousands)

	<u>Total</u>	<u>% of total</u>	<u>Under 120 lbs.</u>	<u>% of total</u>	<u>120-149 lbs.</u>	<u>% of total</u>	<u>150 lbs. & over</u>	<u>% of total</u>
Total	94,279	100.0%	21,401	22.7%	41,860	44.4%	31,018	32.9%
Height:								
5'3" or less	51,476	54.6	15,462	16.4	21,496	22.8	14,519	15.4
5'4" - 5'6"	34,035	36.1	5,468	5.8	16,027	17.0	12,539	13.3
5'7" or more	8,768	9.3	471	0.5	4,337	4.6	3,960	4.2

Source: Fairchild Market Research Department based on National Health Survey 1971-1974 by U.S. Department of Health and Human Services (formerly U.S. Dept. of Health, Education & Welfare) and U.S. Bureau of the Census projections for 1984 by age.

RETAIL SALES BY PRODUCT

The women's inner fashion industry, consisting primarily of nightwear, foundations, panties, robes, and slips conducted approximately \$7 billion worth of business at the retail level in 1984. The largest component of this market is nightwear--nightgowns, pajamas, peignor/robe sets--which accounted for about \$2.4 billion in sales.

Foundations constituted the next largest segment of the market at \$2 billion, followed by panty sales of a little over \$1 billion.

RETAIL SALES BY STORE TYPE

The only authoritative information on sales of women's inner fashions classified by specific store type is the census of retail trade series on merchandise line sales. Data collected from the 1982 Census is not scheduled to be released by the U.S. Census Bureau until late 1985. Therefore, the statistics used in the next few tables are either preliminary 1982 figures or from the last census of retail trade, which was conducted in 1977.

Brassieres, Girdles & Foundations

Department stores accounted for over 67% of reported sales of women's brassieres, girdles and foundations in 1977. Women's ready-to-wear stores' sales of \$204.0 million represented 15.3% of the total.

RETAIL SALES BY STORE TYPE

Brassieres, Girdles & Foundations

Reported Sales of Women's Bras, Girdles, & Foundations by Store Type, 1977
(Includes only stores with payrolls)

	<u>Stores Reporting Sales</u>		<u>Sales</u>	
	<u>Number***</u>	<u>% of total</u>	<u>Mil. \$</u>	<u>% of total</u>
Bras, Girdles & Foundations	35,239	100.0%	\$1,333.8	100.0%
Department stores*	7,884	22.4	894.8	67.1
Women's ready-to-wear stores**	14,820	42.1	204.0	15.3
Family clothing stores	8,807	25.0	169.3	12.7
Children's wear stores	118	0.3	0.7	0.1
Mail order houses	3,610	10.2	65.0	4.8

* Includes discount department stores as well as traditional department stores. Sales of catalog order desks within these stores are included in the department store data, but not sales of catalog headquarter operations, which are included in mail order house data.

**Detailed data on merchandise line sales of women's accessory & specialty stores (including furriers) were not included in the Census reports. There were a total of 4,962 stores in this classification with total women's and children's wear sales of \$858.8 million in 1977.

***Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977
Merchandise Line Sales, RC77-L.

Lingerie, Sleepwear & Loungewear

In 1977, sales of women's lingerie, sleepwear and loungewear were reported at \$2.14 billion in the leading store types. Department stores again took the lions' share with reported sales of \$1.48 billion, 69.2% of the total.

RETAIL SALES BY STORE TYPE

Lingerie, Sleepwear & Loungewear

Reported Sales of Women's Lingerie, Sleepwear & Loungewear by Store Type, 1977 (includes only stores with payrolls)

	<u>Stores Reporting Sales</u>		<u>Sales</u>	
	<u>Number***</u>	<u>% of total</u>	<u>Mil. \$</u>	<u>% of total</u>
Lingerie, Sleepwear & Loungewear	38,826	100.0%	\$2,143.8	100.0%
Department stores*	8,284	21.3	1,483.7	69.2
Women's ready-to-wear stores**	17,637	45.4	357.4	16.7
Family clothing stores	9,187	23.7	214.9	10.0
Children's wear stores	117	0.3	0.9	#
Mail order houses	3,601	9.3	86.9	4.1

(See footnotes on page 22.)

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales, RC 77-L

Contribution of Women's Inner Fashion Sales to Total Women's & Children's Wear in Key Store Types Reporting Sales, 1977

	<u>Total Women's & Children's Wear Sales*</u> (mil. \$)	<u>% of sales accounted for by:</u>	
		<u>Bras, Girdles & Foundations</u>	<u>Lingerie, Sleepwear & Loungewear</u>
Department stores	\$ 16,250.7	5.5%	9.1%
Women's ready-to-wear stores**	11,066.5	1.8	3.2
Family clothing stores	3,471.6	4.9	6.2

* Excludes footwear sales.

**Excludes sales in women's accessory and specialty stores.

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales, RC77-L.

RETAIL SALES BY STORE TYPE

Sales in Specialty Outlets

Figures presented here on specialty outlet sales are preliminary data from the 1982 Census. The 1977 sales are in current dollars so inflation must be taken into account as one factor for the huge increase from 1977 to 1982. Another factor is the growing acceptance by women of specialty stores for their inner fashion purchases.

Reported Sales of Women's Inner Fashions in Specialty Outlets, 1977 & 1982 (Includes only stores with payrolls)

	Sales (Mil. \$)		
	1982	1977	% Change 1982/1977
Bras, girdles & corsets			
Women's ready-to-wear stores	\$385.9	\$204.0	+ 89.2%
Family clothing stores	296.4	169.3	+ 75.1
Lingerie, sleepwear & loungewear			
Women's ready-to-wear stores	690.6	357.4	+ 93.2
Family clothing stores	377.2	214.9	+ 75.5

Source: U.S. Bureau of the Census,
Census of Retail Trade, 1977, 1982

Operating Results: Department Stores

The following table shows trends in department store inner fashion merchandising based on the National Retail Merchants Association's annual surveys from 1979-1983. Dollar sales per square foot have increased virtually every year for every category. The cumulative mark up percentage, which measures the difference between the delivered cost of the merchandise and the cumulative selling prices originally set, has also risen steadily across-the-board.

Women's Inner Fashion Merchandising Results In Department Stores With Total Volume Over \$1 Million, 1979-1983 (Median Results)

	1983	1982	1981	1980	1979
Women's, Misses' & Juniors' Intimate Apparel					
Net sales % change over last year	8.5%	3.2	14.6	0.6	9.2
Cumulative mark up %	52.5%	52.4	51.4	50.8	50.5
Markdowns % to sales	8.4%	7.5	5.7	6.8	6.0
Inventory shortage % to sales	1.4%	1.4	1.3	1.3	1.3
Gross margin %	52.5%	52.4	52.5	51.3	51.1
Gross margin \$ return per \$ avg. cost inv.	\$ 3.45	3.14	3.48	3.32	3.34
Turnover (no. of times)	3.3	3.2	3.5	3.4	3.4
\$ Sales per sq. foot	\$129.2	116.1	105.3	100.3	103.5

(continued)

RETAIL SALES BY STORE TYPE

Operating Results: Department Stores

Women's Inner Fashion Merchandising Results in Department Stores With Total Volume Over \$1 Million, 1979-1983 (Median Results) (continued)

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
Foundations					
Net sales % change over last year	5.7%	6.3	9.1	4.0	4.2
Cumulative mark up %	50.7%	50.4	50.0	49.4	48.9
Markdowns % to sales	6.0%	5.0	3.9	3.9	3.4
Inventory shortage % to sales	1.4%	1.3	1.6	1.5	1.6
Gross margin %	50.7%	51.2	51.0	50.7	50.0
Gross margin \$ return per \$ avg. cost inv. \$	2.34	2.39	2.37	2.25	2.30
Turnover (no. of times)	2.5	2.6	2.5	2.6	2.6
\$ Sales per sq. ft.	\$148.4	147.1	141.0	125.7	122.0
All Sleepwear					
Net sales % of change over last year	9.5%	2.6	9.2	7.9	2.8
Cumulative mark up %	52.2%	51.8	51.3	51.0	50.5
Markdowns % to sales	13.3%	12.0	10.1	8.7	8.6
Inventory shortage % to sales	2.3%	2.3	2.2	2.3	2.2
Gross margin %	49.9%	49.5	52.5	49.7	49.7
Gross margin \$ return per \$ avg. cost inv. \$	4.07	3.93	3.48	4.19	3.74
Turnover (no. of times)	4.1	4.2	3.5	4.5	4.4
\$ Sales per sq. foot	\$163.1	136.0	128.0	105.0	91.4
All Robes & Loungewear					
Net sales % of change over last year	10.7%	1.3	3.9	1.1	7.0
Cumulative mark up %	51.9%	51.6	50.9	50.5	50.4
Markdowns % to sales	16.2%	17.1	13.9	12.8	11.3
Inventory shortage % to sales	1.5%	2.0	1.9	1.9	1.9
Gross margin %	48.1%	47.2	49.3	47.8	49.5
Gross margin \$ return per \$ avg. cost inv. \$	4.31	4.31	4.16	3.88	4.39
Turnover (no. of times)	4.5	4.4	4.3	4.4	4.8
\$ Sales per sq. foot	\$129.8	102.2	104.4	98.0	93.8

Source: National Retail Merchants Association,
Merchandising & Operating Results,
1980-1984 editions.

Operating Results: Specialty Stores

The following 5 year comparison for specialty outlets with sales over \$1 million indicates key merchandising and operating ratios for those stores reporting to the National Retail Merchants Association. Dollar sales per square foot have tended to be higher than those for department stores over this period.

RETAIL SALES BY STORE TYPE

Operating Results: Specialty Stores

Women's Inner Fashion Merchandising Results in Specialty Stores With Total Volume Over \$1 Million, 1979-1983 (Median Results)

	1983	1982	1981	1980	1979
Women's, Misses' & Juniors' Intimate Apparel					
Net sales % of change over last year	5.2%	1.5	13.7	6.8	13.1
Cumulative mark up %	52.9%	52.9	52.2	51.4	51.0
Markdowns % to sales	6.8%	7.6	5.6	8.0	7.8
Inventory shortage % to sales	2.0%	1.5	0.6	1.0	1.3
Gross margin %	51.9%	50.7	51.6	49.5	50.4
Gross margin \$ return per \$ avg. cost inv. \$	3.74	3.35	3.29	3.59	--
Turnover (no. of times)	2.9	2.7	2.9	3.1	3.3
\$ Sales per sq. foot	\$ 197.9	136.0	148.4	128.3	136.5
Foundations					
Net sales % of change over last year	0.8%	1.9	8.3	1.4	6.7
Cumulative mark up %	51.3%	51.0	50.8	50.5	49.9
Markdowns % to sales	6.4%	6.4	5.2	6.3	6.2
Inventory shortage % to sales	2.3%	1.9	1.3	1.6	1.1
Gross margin %	50.9%	50.0	50.7	50.7	47.1
Gross margin \$ return per \$ avg. cost inv. \$	2.50	2.46	2.42	2.26	3.48
Turnover (no. of times)	2.2	2.0	2.2	2.2	3.8
\$ Sales per sq. foot	\$ 150.1	143.4	135.3	124.7	127.5
All Sleepwear					
Net sales % of change over last year	- 1.8%	2.9	6.3	4.7	11.5
Cumulative mark up %	52.5%	51.9	51.7	51.1	50.6
Markdowns % to sales	14.5%	16.2	12.8	14.8	12.2
Inventory shortage % to sales	1.8%	2.1	1.6	2.3	2.0
Gross margin %	47.8%	47.7	46.9	45.8	48.3
Gross margin \$ return per \$ avg. cost inv. \$	4.48	3.60	5.43	6.50	--
Turnover (no. of times)	3.9	3.7	4.8	4.4	4.9
\$ Sales per sq. foot	\$ 207.0	132.0	128.4	111.6	111.5
All Robes & Loungewear					
Net sales % of change over last year	1.1%	- 4.4	8.4	7.5	2.2
Cumulative mark up %	51.4%	51.8	51.3	51.4	50.3
Markdowns % to sales	18.3%	19.5%	19.6	16.3	14.7
Inventory shortage % to sales	0.8%	1.2	1.4	1.5	1.4
Gross margin %	44.7%	43.7	44.9	46.4	46.5
Gross margin \$ return per \$ avg. cost inv. \$	4.15	3.76	4.55	4.45	4.82
Turnover (no. of times)	4.2	3.8	4.1	3.9	4.8
\$ Sales per sq. foot	\$ 107.4	107.6	141.7	142.4	111.3

Source: National Retail Merchants Association,
Merchandising & Operating Results,
1980-1984 editions.

SEASONAL PATTERN IN RETAIL SALES

There is a distinct pattern in when women who choose to make their inner fashion purchases. The summer months and Christmastime are above average periods for these purchases.

Percent of Households Purchasing Inner Fashions by Month

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
% of households purchasing women's apparel--total	39.2	36.3	40.1	41.3	42.3	41.4	41.1	39.6	37.3	38.2	38.1	44.5%
Items purchased each month:												
Bras	5.2	4.5	5.5	6.0	5.5	6.9	6.4	6.0	5.4	4.5	3.6	5.1
Panties	5.0	3.8	5.2	4.7	5.6	5.5	5.9	6.1	4.7	4.5	4.0	4.9
Girdles/control garments	1.0	0.7	1.0	1.1	1.1	1.1	0.8	0.7	0.8	0.8	0.8	0.9
Slips & lingerie	1.4	1.3	1.7	2.6	2.6	2.1	2.1	1.8	1.6	1.5	2.2	2.5
Nightwear & robes	4.8	3.7	3.7	4.0	4.8	4.1	4.1	3.0	3.7	4.0	6.6	11.6

Source: Newspaper Advertising Bureau,
1985 Newspaper Advertising Planbook,
based on National Purchase Diary
survey, 1981

RETAIL ADVERTISING

Newspaper advertisements for inner fashion items are allocated throughout the year with the goal of having this advertising reach consumers when they are more prone to make their purchasing decisions (see previous table).

Percent of Total Newspaper Advertising Linage Done by Month, 1983

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Total</u>
Girdles & Bras	5.0	7.4	11.6	6.8	11.7	8.4	4.3	10.0	5.8	7.9	7.8	13.3	100.0%
Lingerie, sleepwear & robes	4.5	6.5	5.7	7.3	13.4	4.6	4.8	5.3	4.3	6.1	13.4	24.1	100.0%

Source: The Advertising Checking Bureau, 1983

CONSUMER PRICE TRENDS

In 1984, the Consumer Price Index for All Urban Consumers (CPI-U) showed a 3.4% gain for its women's underwear, nightwear and hosiery component over the prior year. Though this percentage increase was lower than that for all the items in the index, it was higher than the percent changes for both all apparel items and all women's apparel items. However, it should be noted that the 3.4% rise is lower than those for 1981, 1982 and 1983--6.5%, 6.5% and 3.7%, respectively.

CONSUMER PRICE TRENDS

Consumer Price Index For Women's Inner Fashions 1981-1984 Annual Averages (1967=100 unless otherwise indicated)

	Annual Averages				% Change 1984/1983
	1984	1983	1982	1981	
All items	311.1	298.4	289.1	272.4	+ 4.2%
All apparel commodities	187.0	184.5	181.0	177.7	+ 1.3
All women's apparel (1977=100)	109.0	107.5	105.5	104.3	+ 1.4
Women's underwear, nightwear & hosiery (1977=100)	137.4	132.9	128.2	120.4	+ 3.4

Source: U.S. Bureau of Labor Statistics

CONSUMER BUYING HABITS

Sales trends reported by NPD Special Industry Services, Port Washington, N.Y., show that consumer purchases of daywear increased 6% during the first six months of 1984 compared with the same period in 1983. The information is based on the findings of an ongoing monthly diary survey that tracks the apparel purchases of a panel of 8,000 nationally representative U.S. households.

This gain in unit volume was unevenly distributed by product line as half-slips declined 9% while camisoles registered a 30% increase. The study also indicated a growing acceptance by women of specialty stores for daywear purchases, while discount stores were used heavily for bras, girdles and panties.

Consumer Purchases in Units of Daywear, Jan.-June 1984

	% Change Jan.-June 1984 vs. Prior Year
Bras	+ 7%
Girdles	0
Panties	+ 6
Full-slips	+ 5
Half-slips	- 9
Camisoles	+30
Total	+ 6

Source: NPD Special Industry Services

CONSUMER BUYING HABITS

Women's Innerwear

Percent of Purchases of Women's Innerwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1982 (For women aged 14 & over)

	Bras		Panties	
	Units	Dollars	Units	Dollars
<u>Purchases by Outlet Type:</u>				
Department stores	27.5%	38.8%	20.7%	28.4%
National chains	30.3	27.5	23.6	23.3
Discount stores, incl. K mart	26.0	15.6	32.9	24.5
Women's specialty stores	7.4	10.0	6.4	8.3
All other store types	8.9	8.2	16.4	15.4
<u>Purchases by Fiber:</u>				
100% polyester	23.4	23.5	9.4	7.3
Polyester blends	10.5	10.3		
100% cotton/cotton blends	4.1	4.2	26.9	25.4
100% nylon	32.7	32.4	39.9	40.3
Nylon blends	21.6	20.7	9.6	13.3
All other fibers	7.7	8.8	14.2	13.7
<u>Purchases by Month:</u>				
January	8.7	7.9	6.9	7.1
February	6.8	6.9	6.7	6.2
March	8.9	9.0	8.5	7.5
April	8.3	8.8	7.5	8.2
May	8.9	8.7	7.8	7.9
June	9.1	9.3	8.0	7.9
July	9.1	8.8	9.6	9.5
August	9.2	9.2	9.2	9.2
September	7.7	7.2	7.2	7.6
October	7.3	7.3	7.7	8.2
November	7.1	7.0	8.6	8.3
December	8.8	10.0	12.2	12.5

Source: NPD Special Industry Services.

CONSUMER BUYING HABITS

Women's Nightwear

Percent of Purchases of Women's Innerwear by Type of Outlet,
Fiber Content & Monthly Purchase Pattern, 1982
(For women aged 14 & over)

	Slips		Girdles & Other Foundations*	
	Units	Dollars	Units	Dollars
<u>Purchases by Outlet Type:</u>				
Department stores	33.5%	40.8%	37.9%	38.3%
National chains	17.8	17.3	24.2	25.4
Discount stores, incl. K mart	22.0	14.9	18.4	10.4
Women's specialty stores	14.5	16.7	8.5	14.4
All other store types	12.2	10.3	11.0	11.5
<u>Purchases by Fiber:</u>				
100% polyester/polyester blends	8.6	9.4	4.9	7.7
100% nylon/nylon blends	86.7	84.4	69.6	70.8
All other fibers	1.6	2.0	20.1	15.0
No answer	3.1	4.2	5.4	6.5
<u>Purchases by Month:</u>				
January	5.7	5.1	6.6	7.9
February	4.7	4.2	5.7	7.3
March	7.3	6.8	5.7	5.7
April	9.2	9.5	8.7	10.4
May	10.2	10.2	5.0	7.0
June	8.8	9.0	11.3	11.6
July	8.7	7.9	11.3	9.2
August	8.3	8.1	7.4	6.1
September	7.3	7.2	6.6	7.9
October	8.2	8.5	7.1	7.7
November	7.2	7.5	8.7	10.7
December	14.5	16.0	15.9	8.6

* Includes pants liners, all-in-ones and other control garments.

Source: NPD Special Industry Services

Percent of Purchases of Women's Innerwear
By Price Points, 1982

	Bras		Girdles & Other Foundations*	
	Units	Dollars	Units	Dollars
Less than \$4.00	39.3%	17.4%	35.9%	8.3%
\$4.00 - 8.99	37.7	38.8	28.1	22.2
\$9.00 & over	22.9	43.8	36.1	69.5

(continued)

CONSUMER BUYING HABITS

Women's Innerwear

Percent of Purchases of Women's Innerwear By Price Points, 1982 (continued)

	<u>Panties</u>	
	<u>Units</u>	<u>Dollars</u>
Less than \$1.00	30.0%	13.6%
\$1.00 - 1.99	46.3	41.9
\$2.00 - 2.99	16.2	23.1
\$3.00 & over	7.5	21.5

	<u>Slips</u>	
	<u>Units</u>	<u>Dollars</u>
Less than \$6.00	40.9%	22.7%
\$6.00 - 9.99	36.3	36.6
\$10.00 & over	22.8	40.7

* Includes pants liners, all-in-ones and other control garments.

Women's Nightwear

Percent of Purchases of Women's Nightwear by Type of Outlet Fiber Content & Monthly Purchase Pattern, 1982 (For women aged 14 & over)

	<u>Negligees</u>		<u>Hostess/Loungewear</u>	
	<u>Units</u>	<u>Dollars</u>	<u>Units</u>	<u>Dollars</u>
<u>Purchases by Outlet Type:</u>				
Department stores	29.3%	37.7%	25.7%	30.5%
National chains	23.0	23.2	27.5	24.4
Discount stores, incl. K mart	29.9	19.2	26.9	17.3
Women's specialty stores	9.5	11.5	8.5	12.9
All other store types	8.3	8.4	11.4	14.9
<u>Purchases by Fiber:</u>				
100% polyester/polyester blends	25.4	26.3	58.5	61.2
100% cotton/cotton blends	14.4	15.0	6.8	10.8
100% nylon/nylon blends	35.9	36.9	12.1	9.4
Acetate blends	18.8	14.8	14.3	10.2
All other fibers	1.1	1.2	4.3	5.1
No answer	4.4	5.8	4.0	3.3

(continued)

CONSUMER BUYING HABITS

Women's Nightwear

Percent of Purchases of Women's Nightwear by Type of Outlet,
Fiber Content & Monthly Purchase Pattern, 1982
(For women aged 14 & over)
(continued)

	Negligees		Hostess/Loungewear	
	Units	Dollars	Units	Dollars
<u>Purchases by Month:</u>				
January	6.1%	6.0%	3.3%	3.6%
February	6.3	6.6	6.5	6.7
March	4.7	4.6	10.8	10.5
April	5.7	4.9	8.8	10.2
May	8.0	7.4	10.7	11.8
June	4.7	4.7	8.5	5.7
July	6.6	6.2	13.5	8.6
August	5.9	5.3	5.9	4.9
September	6.7	6.4	7.6	8.0
October	9.0	8.5	7.9	7.5
November	13.9	14.8	4.2	4.9
December	22.4	24.6	12.2	17.7

	Robes*		Pajamas	
	Units	Dollars	Units	Dollars
<u>Purchase by Outlet Type:</u>				
Department stores	26.7%	33.1%	27.6%	35.2%
National chains	24.4	24.0	31.7	30.0
Discount stores, incl. K mart	27.4	19.8	25.5	17.9
Women's specialty stores	12.9	15.7	9.5	10.2
All other store types	8.6	7.4	5.7	6.8

<u>Purchases by Fiber:</u>				
100% polyester/polyester blends	47.5	41.1	26.5	20.7
Acetate blends	27.1	27.7	10.9	10.3
100% cotton/cotton blends	4.2	3.8	31.3	24.2
100% nylon/nylon blends	10.2	9.5	23.5	29.4
100% acrylic/acrylic blends	6.5	6.3	4.7	7.1
No answer	4.6	5.7	3.0	4.3

<u>Purchases by Month:</u>				
January	9.6	9.0	6.0	5.8
February	5.4	5.1	4.5	4.0
March	6.8	5.0	6.8	6.8
April	4.9	4.3	4.1	3.4
May	10.2	8.7	6.3	5.5
June	7.9	7.2	6.1	6.0
July	7.5	6.1	7.7	7.2
August	5.3	5.0	3.8	5.0

(continued)

CONSUMER BUYING HABITS

Women's Nightwear

Percent of Purchases of Women's Nightwear by Type of Outlet, Fiber Content & Monthly Purchase Pattern, 1982 (For women aged 14 & over) (continued)

<u>Purchases by Month (continued)</u>	<u>Robes*</u>		<u>Pajamas</u>	
	<u>Units</u>	<u>Dollars</u>	<u>Units</u>	<u>Dollars</u>
September	3.9%	3.9%	5.9%	4.9%
October	5.8	6.1	10.1	8.6
November	10.4	12.6	17.1	16.1
December	22.3	27.2	21.7	26.8

* Includes housecoats, beach robes and beach coverups.

Source: NPD Special Industry Services.

Percent of Purchases of Women's Nightwear By Price Points, 1982

	<u>N negligees</u>		<u>Pajamas</u>	
	<u>Units</u>	<u>Dollars</u>	<u>Units</u>	<u>Dollars</u>
Less than \$6.00	30.9%	13.8%	33.1%	15.0%
\$6.00 - 9.99	32.3	26.0	33.2	28.7
\$10.00 & over	36.8	60.2	33.7	56.3

	<u>Robes</u>			<u>Hostess/Loungewear</u>	
	<u>Units</u>	<u>Dollars</u>		<u>Units</u>	<u>Dollars</u>
Less than \$10.00	25.5%	10.8%	Less than \$7.99	34.8%	14.5%
\$10.00 - 15.99	29.5	22.8	\$8.00 - 15.99	36.7	32.8
\$16.00 - 24.99	28.4	33.4	\$16.00 & over	28.6	52.7
\$25.00 & over	16.7	33.0			

Women's Slips

The market for women's slips is strongly determined by both the household income and the age of the purchaser as the following Gallup survey undertaken for Apparel Merchandising shows. Department stores are the preferred store type for women in the higher income and age brackets. Slip purchases are generally made once a year regardless of demographic considerations.

CONSUMER BUYING HABITS

Women's Slips

Place of Purchase of Women's Slips by Household Income of Purchaser

	Household Income			
	Under \$10,000	\$10,000- 14,999	\$15,000- 24,999	\$25,000- & over
Department stores	42.6%	31.5%	58.1%	54.3%
Sears	13.8	22.2	13.1	9.8
J.C. Penney	6.9	21.3	10.0	9.0
Discount stores	11.7	10.2	5.6	8.2
Independent lingerie shops	3.8	0.9	7.5	4.3
Montgomery Ward	2.7	2.8	1.3	1.6
Specialty chain stores	5.3	3.7	--	2.3
Off-price stores/Factory outlets	2.1	0.9	--	3.1
Catalog/Mail order	3.2	--	0.6	1.2
All other stores	8.0	3.7	5.0	5.1
Don't know	7.4	6.5	2.5	4.7

Source: Gallup Organization (Apparel Merchandising, May 1984)

Place of Purchase of Women's Slips by Age of Purchaser

	18-24	25-34	35-44	45-49	50+
Department stores	49.2%	43.5%	47.2%	53.1%	53.4%
Sears	8.6	15.6	13.2	16.0	12.5
J.C. Penney	15.6	13.4	15.3	9.9	4.2
Discount stores	1.6	11.3	6.9	12.3	8.0
Independent lingerie shops	9.4	5.9	2.8	--	2.2
Montgomery Ward	0.8	2.2	4.2	3.7	3.5
Specialty chain stores	6.3	1.6	3.5	3.7	1.0
Off-price stores/Factory outlets	0.8	2.7	2.8	2.5	0.3
Catalog/Mail order	--	1.6	0.7	--	2.9
All other stores	7.0	3.8	5.6	6.2	7.1
Don't know	7.8	4.3	4.9	4.9	8.0

Source: Gallup Organization (Apparel Merchandising, May 1984)

Buying Habits in Purchase of Women's Slips by Age of Purchaser

Age	Number of Slips Owned	Frequency of Purchase	Type of Slip Wanted in 1984	Percentage Who Buy on Sale
18-24	3	Once a year	Half-slip	56.3%
25-34	3	Once a year	Half-slip	60.2
35-44	3	Once a year	Half-slip	61.1
45-49	5	Once a year	Half-slip	55.6
50+	3	Once a year	Whole-slip	60.1

Source: Gallup Organization (Apparel Merchandising, May 1984)

CONSUMER BUYING HABITS

Teen Girls' Buying Habits

Seventeen Magazine conducts an annual Spring Apparel Buying Study to obtain data on the purchasing behavior of teen girls. Its 1984 survey, conducted in May 1984, revealed the preferences of a 2,000 member cross-section of this market. The results can be projected to national proportions of teen girls attending high school and college. According to the study, \$13.2 billion was spent nationally by teen girls for their Spring wardrobes in 1984. Of this amount, an estimated \$955 million, or 7.2%, was spent on inner fashions.

Projected Purchases of Inner Fashions by Teenage Female Students, Spring 1984

	Number Purchasing (Thous.)	Number Purchased (Thous.)	Total Expenditures (Mil. \$)
FOUNDATIONS			
Bras, total	10,214	29,606	\$ 260.4
Bandeau:			
- softcup	5,415	13,754	109.9
- light-padded	2,802	5,044	39.8
- underwire	1,679	3,560	40.4
Strapless/halter	3,465	3,708	36.7
One-size (stretch step-in)	857	1,568	10.9
Stretch coordinated sets (bra & brief)	744	1,972	22.7
Bodysuit-sized	386	448	7.6
One-size stretch	269	436	6.0
Girdles - Panty, brief	321	751	5.1
- Panty, short-leg	25	27	0.2
Tap pants	38	38	0.3
Total girls buying foundations	10,522	31,306	279.7
LINGERIE			
Panties - bikini	8,475	42,634	125.3
- regular	2,152	8,699	25.7
- brief	1,686	8,103	22.8
Slips - short	3,235	4,761	45.4
- long	1,053	1,055	10.8
- bra	1,127	2,384	22.9
Half-slips - short	3,818	5,340	44.3
- long	1,104	1,118	9.4
Total girls buying lingerie	11,379	74,094	306.7
SLEEPWEAR/LOUNGEWEAR			
Nightgowns - long	3,097	4,676	77.8
- short	1,819	3,221	39.1
Nightshirts - short	3,266	6,333	70.1
- long	652	749	7.6
Pajamas - shortie	1,675	2,678	30.5
- full-length	1,034	1,304	19.2
Robes - long	3,150	3,153	82.3
- short	1,052	1,117	28.9

(continued)

CONSUMER BUYING HABITS

Teen Girls' Buying Habits

Projected Purchases of Inner Fashions by Teenage Female Students, Spring 1984 (continued)

	Number Purchasing (Thous.)	Number Purchased (Thous.)	Total Expenditures (Mil. \$)
<u>SLEEPWEAR/LOUNGEWEAR (continued)</u>			
Long culottes/lounging pajamas/ at-home dresses	332	551	\$ 12.9
Total girls buying sleepwear/loungewear	8,230	23,782	368.3
Total girls buying sleepwear	7,626	18,961	244.2
Total girls buying loungewear	3,777	4,821	124.0

Source: Seventeen Magazine
Spring Apparel Study, 1984

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans. (August)

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now -- 1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Stores and National/Regional Chains): Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying head-quarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1984 Edition available now -- 1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments. (April)

FOOTWEAR (MEN'S, WOMEN'S, BOYS' AND GIRLS'): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics. (1984 Edition available now -- 1985 Edition will be available in September)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season. (July)

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES (Including a new Consumer Buying Intention Survey): Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (October)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., the size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet. (May)

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR (Including Tailored Casual Wear): Manufacturer level profiled by production, value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations of large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Covers developments in brand name merchandising, store labels, designer labels, and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (A Fact File Special Edition)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on the findings in the 1982 Census of Retail Trade issued by the U.S. Census Bureau in 1985. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc. (A Fact File Special Edition) (December)

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (June)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

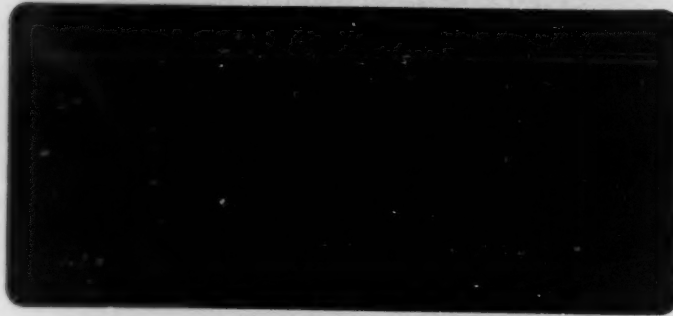
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**Market Research Division
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**Fashion Accessories
(Men's and Women's)**

FAIRCHILD FACT FILE

**Prepared by
Market Research Division
Audrey S. Balchen, Director
Gregory Becker, Research Analyst**

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E. B. Gold, Manager
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FASHION ACCESSORIES

MARKET TRENDS

Retail sales of both men's and women's fashion accessories finished 1984 on an up-note. While the women's segment was experiencing growth from a favorable ready-to-wear fashion trend toward clean looks that encourage ornamentation, men's accessories benefited from a general trend to dress-up among young men who are the most important factor in this market. Industry executives generally expect the strong gains in retail sales of accessories to continue through 1985 as consumers' understanding of how to accessorize increases and a stepped-up emphasis on newness from manufacturers pushes the category along.

Overall, total retail sales of fashion accessories, both men's and women's, but not including jewelry, were estimated to have reached \$9.5 billion in 1983, up about 12% from 1982. Retailers are reporting that in 1984 sales growth came primarily from a younger customer who was purchasing products of higher quality and fashion and was willing to pay more for these products. Accessorizing provides a relatively inexpensive way to update wardrobes--an important consideration for the army of young careerists.

Color has been a major influence in accessories in 1984, particularly in fashion items such as belts and sunglasses. Retailers report that the broadening of their selections of accessories beyond the basic black and brown to include a full array of colors, has led to a large increase in sales.

Manufacturers' forecasts for 1985 range in the area of 10-30% growth for the accessories business as a whole. The biggest sellers in 1985 are expected to be scarves, gloves and hats, due to the continued trend to more vibrant colors (WWD 3-1-85). One major manufacturer of hats and gloves has broadened its product range to include 35 different colors and patterns in their line for the fall of 1985.

Imports, a perennial trouble area for all apparel including accessories, has grown to become a major obstacle to domestic producers over the last several years. The U.S. Department of Commerce reports that the import-to-new-supply ratio for luggage and personal leather goods reached 50.1% in 1984, while the same ratio for precious metal jewelry stood at 24.9% and for costume jewelry was at 28.6%. As the U.S. dollar remains strong and cost advantages remain significant for offshore manufacturing operations, the wave of imports is not expected to subside.

According to estimates by the U.S. Department of Commerce, precious metal jewelry is expected to be the fastest growing of analyzed accessories in 1985. Shipments of luggage expected to be the second fastest growing category with handbags and purses next in growth.

MARKET TRENDS

Estimated Growth of Selected Accessory Categories, 1985

	Value of Industry Shipments % Change 1985/1984	Value of Product Shipments % Change 1985/1984
Precious metal jewelry	+ 5.1%	+ 5.0%
Leather gloves & mittens	+ 0.5	+ 0.4
Luggage	+ 2.0	+ 3.0
Handbags & purses	+ 1.2	+ 0.2

Source: U.S. Department of Commerce,
1985 U.S. Industrial Outlook
International Trade Administration

Accessories cannot be defined in a single standard industry classification whose value or size is readily measured, due to the wide variety of products in the category. Some accessories, notably belts and trimmings, such as buckles and the like, are either sold to apparel manufacturers who use them as part of their finished garments or at retail, further complicating the retail sales estimates for accessories.

The distinction between items included in the men's furnishings category and in men's accessories is also subject to varying interpretations. Information on men's neckwear hats and underwear is covered in detail in the Men's Furnishings & Work Wear Fact File and information on men's and women's hosiery is detailed in the Hosiery Legwear Fact File.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete Census of all manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census--the most recent done in 1982. Preliminary reports on the census have now been released, with final reports scheduled to be released throughout 1985. The following tables summarize statistics which are currently available from the Census Bureau covering 1982.

Accessories manufacturers are part of many separate industry classifications under the Standard Industrial Classification system followed in government data. In some cases, accessories are combined with manufacturers of other products such as watches and clocks.

GENERAL INDUSTRY STATISTICS

Industry Trends in Accessories Classifications, 1977, 1982

	<u>Costume Jewelry</u> (SIC 3961*)			<u>Precious Metal Jewelry</u> (SIC 3911*)		
	1982(p)	1977	% Change 1982/1977	1982	1977	% Change 1982/1977
Number of companies	773	837	- 7.6%	2,159	2,165	- 0.3%
Number of establishments, total**	784	847	- 7.4	2,193	2,206	- 0.6
Number with 20 or more employees	185	236	- 21.6	367	405	- 9.4
Employees, total (thous.)	21.1	25.0	- 15.6	35.3	42.1	- 16.2
Production workers (thous.)	15.7	20.8	- 24.5	23.7	29.2	- 18.8
Payroll (mil. \$)	\$ 263.6	\$ 215.9	+ 22.1	\$ 535.8	\$ 432.0	+ 24.0
Value added by manufacture ## (mil. \$)	na	485.1	--	1,278.8	979.8	+ 30.5
Value of industry shipments### (mil. \$)	1,026.6	816.6	+ 25.7	3,039.1	2,107.0	+ 44.2
Capital expenditures, new (mil. \$)	17.7	17.6	+ 0.6	33.4	25.6	+ 30.5

	<u>Watches, Clocks</u> (SIC 3873*)			<u>Apparel Belts</u> (SIC 2387*)		
	1982(p)	1977	% Change 1982/1977	1982	1977	% Change 1982/1977
Number of companies	216	283	- 23.7%	317	281	+ 12.8%
Number of establishments, total**	229	302	- 24.2	319	284	+ 12.3
Number with 20 or more employees	83	112	- 26.0	143	119	+ 20.2
Employees, total (thous.)	16.6	31.5	- 47.3	11.7	9.4	+ 24.5
Production workers (thous.)	12.2	24.0	- 49.2	9.2	7.3	+ 26.0
Payroll (mil. \$)	\$ 245.4	\$ 316.6	- 22.5	\$ 137.1	\$ 76.1	+ 80.2
Value added by manufacture ##(mil. \$)	na	684.5	--	305.4	150.3	+103.2
Value of industry shipments### (mil. \$)	1,167.1	1,594.7	- 26.8	556.5	286.9	+ 94.0
Capital expenditures, new (mil. \$)	14.6	23.2	- 37.1	8.3	2.5	+232.0

	<u>Fabric Dress & Work Gloves</u> (SIC 2381*)			<u>Leather Gloves</u> (SIC 3151*)		
	1982	1977	% Change 1982/1977	1982(p)	1977	% Change 1982/1977
Number of companies	78	100	- 22.0%	79	84	- 6.0%
Number of establishments, total**	102	132	- 22.7	96	101	- 5.0
Number with 20 or more employees	64	92	- 30.4	54	66	- 18.2
Employees, total (thous.)	6.8	10.9	- 37.6	3.9	5.5	- 29.1
Production workers (thous.)	6.1	9.9	- 38.4	3.3	4.7	- 29.8
Payroll (mil. \$)	\$ 51.2	\$ 69.0	- 25.8	\$ 36.6	\$ 33.9	+ 8.0
Value added by manufacture ##(mil. \$)	104.7	160.9	- 34.9	na	67.6	--
Value of industry shipments### (mil. \$)	208.4	312.4	- 33.3	177.6	178.0	- 0.2
Capital expenditures, new (mil. \$)	3.4	3.5	- 2.9	0.7	1.9	- 63.2

(continued)

GENERAL INDUSTRY STATISTICS

Industry Trends in Accessories Classifications, 1977, 1982
(continued)

	<u>Women's Handbags</u> (SIC 3171*)			<u>Small Leather Goods</u> (SIC 3172*)		
	1982(p)	1977	% Change 1982/1977	1982(p)	1977	% Change 1982/1977
Number of companies	369	404	- 8.7%	236	253	- 6.7%
Number of establishments, total**	376	418	- 10.0	242	260	- 6.9
Number with 20 or more employees	148	186	- 20.4	86	97	- 11.3
Employees, total (thous.)	15.3	20.3	- 24.6	9.7	11.9	- 18.5
Production workers (thous.)	13.1	18.2	- 28.0	7.2	9.6	- 25.0
Payroll (mil. \$)	\$ 158.2	\$ 144.0	+ 9.9	\$ 109.0	\$ 108.1	+ 0.8
Value added by manufacture## (mil. \$)	na	266.5	--	na	205.8	--
Value of industry shipments### (mil. \$)	622.9	505.2	+ 23.3	402.5	366.8	+ 9.7
Capital expenditures, new (mil. \$)	5.6	6.6	- 15.2	2.9	4.8	- 39.6

	<u>Luggage</u> (SIC 3161*)			<u>Millinery</u> (SIC 2351*)		
	1982(p)	1977	% Change 1982/1977	1982(p)	1977	% Change 1982/1977
Number of companies	287	286	+ 0.3%	105	151	- 30.5
Number of establishments, total**	293	298	- 1.7	104	151	- 31.1
Number with 20 or more employees	132	130	+ 1.5	35	47	- 25.5
Employees, total (thous.)	16.1	19.2	- 16.1	2.5	2.7	- 7.4
Production workers (thous.)	12.5	15.8	- 20.9	2.1	2.2	- 4.5
Payroll (mil. \$)	\$ 194.4	\$ 164.1	+ 18.5	\$ 24.3	\$ 20.2	+ 20.3
Value added by manufacture## (mil. \$)	na	328.3	--	na	32.8	--
Value of industry shipments### (mil. \$)	792.7	654.9	+ 21.0	88.7	75.1	+ 18.1
Capital expenditures, new (mil. \$)	12.9	8.1	+ 59.3	0.4	0.2	+100.0

na not available (p) preliminary

*Manufacturers are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made as shown below. In some cases (i.e. Watches, Clocks), non-accessory products are included in the classification.

SIC 3961 covers manufacturers specializing in the production of costume jewelry, costume novelties and ornaments made of all materials except precious metal, etc.

SIC 3911 covers manufacturers specializing in the production of jewelry and other articles worn on or carried about the person, made of precious metals with or without stones, including cigarette cases and lighters, vanity cases and compacts; trimmings for umbrellas and canes; and jewel settings and mountings.

SIC 3873 covers manufacturers specializing in the production of clocks, watches, watchcases, mechanisms for clockwork-operated devices and clock and watch parts, as well as establishments primarily engaged in assembling clocks and watches from purchased movements and cases.

SIC 2387 covers manufacturers specializing in the production of men's and women's apparel belts, regardless of material.

(continued)

GENERAL INDUSTRY STATISTICS

SIC 2381 covers manufacturers specializing in the production of dress, semi-dress, and work gloves and mittens, cut and sewn from purchased woven or knit fabric, or these fabrics combined with leather or plastic.

SIC 3151 covers manufacturers specializing in the production of dress, semi-dress, and work gloves exclusively of leather or leather with lining of other material.

SIC 3171 covers manufacturers specializing in the production of women's handbags and purses of leather or other materials, except precious metals.

SIC 3172 covers manufacturers specializing in the production of small articles, such as billfolds, key cases, and coin purses of leather or other materials, except precious metals.

SIC 3161 covers manufacturers specializing in the production of luggage of leather or other material.

SIC 2351 covers manufacturers specializing in the production of women's, misses', children's and infants' millinery.

**Each business location is counted as a separate establishment.

Note: Dollar values are in terms of current dollars--not adjusted for inflation.
This should be taken into account when comparing results for 1982 and 1977.

##Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

###Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. This value includes both products described as primary to the industry and secondary products and miscellaneous receipts (including receipts for contract work and resales). Available data on the total value of specific products shipped by both those classified in the industry (primary producers) and by secondary producers (who are classified in other industries) are covered in the value of shipments reported on pages 14-19.

Source: U.S. Bureau of the Census
Census of Manufactures, 1982
Industry Series (Preliminary)

GENERAL INDUSTRY STATISTICS

Women's Neckwear

It should be noted that women's scarves and other neckwear, which have become important accessory items in today's fashions, are not separately reported in U.S. Census Bureau data but are included in the broad classification Women's, Misses' & Juniors' Outerwear, Not Elsewhere Classified (SIC 2339). Limited information should be included in the final Industry Series report on this classification when released later in 1985.

Data on imports, which are a very important segment of the total U.S. market, will be found in the section on FOREIGN TRADE.

Employment & Earnings

In October 1984, compared with October 1983, production worker employment in every measured segment of the accessory market declined, with the exception of the watches and clocks area, which recorded an increase of 8.2%. This continues a trend of many years of declining employment due to the high labor intensity of the accessory business overall and thus the cost advantages of moving production operations overseas to countries with significantly lower labor costs. Average weekly earnings have, on the other hand, continued to show gains.

It should be noted that the Bureau of Labor Statistics uses a different methodology in compiling employment data than used by the Census Bureau, and the figures of these two sources are not directly comparable.

Employment & Earnings in Specified Accessories Industries, 1982, 1983 Average & October 1983, 1984

	October		% Change 1984/1983	Annual Average		% Change 1983/1982
	1984	1983		1983	1982	
Costume jewelry (SIC 3961)						
All employees (thous.)	22.1	21.3	+ 3.8%	20.4	20.3	+ 0.5%
Production workers (thous.)	17.3	17.8	- 2.8	15.8	15.7	+ 0.6
Avg. weekly hours	36.2	35.6	+ 1.7	34.9	38.0	- 8.2
Avg. weekly earnings	\$191.50	\$184.05	+ 4.0	\$183.23	\$194.18	- 5.6
Precious metals jewelry (SIC 3911)						
All employees (thous.)	37.3	38.0	- 1.8	35.7	36.2	- 1.4
Production workers (thous.)	26.1	27.3	- 4.4	25.2	25.5	- 1.1
Avg. weekly hours	39.5	38.8	+ 1.8	37.4	37.3	+ 0.3
Avg. weekly earnings	\$306.92	\$288.67	+ 6.3	\$269.28	\$257.00	+ 4.8

(continued)

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment & Earnings in Specified Accessories Industries, 1982, 1983 Average & October 1983, 1984 (continued)

	<u>October</u>		<u>% Change</u> <u>1984/1983</u>	<u>Annual</u> <u>Average</u>		<u>% Change</u> <u>1983/1982</u>
	<u>1984</u>	<u>1983</u>		<u>1983</u>	<u>1982</u>	
Women's handbags & personal leather goods (SIC 317)						
All employees (thous.)	28.3	29.8	- 5.0%	27.0	28.1	- 3.9%
Production workers	23.0	24.7	- 6.9	22.1	22.9	- 3.5
Avg. weekly hours	36.7	38.3	- 4.2	37.5	36.0	+ 4.2
Avg. weekly earnings	\$205.15	\$198.78	+ 3.2	\$194.25	\$177.12	+ 9.7
Watches, clocks & watchcases (SIC 387)						
All employees (thous.)	16.6	16.0	+ 3.8	16.1	17.7	- 9.0
Production workers (thous.)	11.9	11.0	+ 8.2	11.0	12.3	- 10.6
Avg. weekly hours	41.8	39.6	+ 5.6	39.5	38.8	+ 1.8
Avg. weekly earnings	\$280.90	\$253.04	+11.0	\$250.04	\$237.46	+ 5.3
Luggage (SIC 316)						
All employees (thous.)	12.0	12.8	- 6.3	12.4	13.7	- 9.5
Production workers	9.0	9.5	- 5.3	8.9	10.1	- 11.9
Avg. weekly hours	38.1	38.7	- 1.6	38.2	35.0	+ 9.1
Avg. weekly earnings	\$243.84	\$244.20	- 0.1	\$239.51	\$202.30	+ 18.4

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings

Employment Size

The majority of manufacturing facilities in every measured segment of the accessories industry employed fewer than 49 employees in 1982, according to the Census Bureau. The segment with the greatest concentration of small plants was the costume jewelry group which had 56.3% of its plants employing less than 10 employees. In second position was small leather goods with 52.7% of its plants employing less than 10 employees, according to County Business Patterns, an annual report compiled by the U.S. Census Bureau covering establishments active as of December 15 which had one or more paid employees. County Business Patterns are tabulated from universe files.

GENERAL INDUSTRY STATISTICS

Employment Size

Number of Accessory Manufacturing Establishments By Employment Size, 1982

	Costume Jewelry (SIC 3961)		Precious Metal Jewelry (SIC 3911)		Apparel Belts (SIC 2387)	
	No.	% of total	No.	% of total	No.	% of total
Total establishments*	673	100.0%	1,964	100.0%	262	100.0%
Employment size:						
Under 10 employees	379	56.3	1,308	66.6	94	35.9
10-49 employees	211	31.4	518	26.4	102	38.9
50-249 employees	69	10.3	121	6.2	61	23.3
250 or more employees	14	2.1	17	0.9	5	1.9
	Watches, clocks & watchcases (SIC 387)		Fabric Dress & Work Gloves (SIC 2381)		Small Leather Goods (SIC 3172)	
	No.	% of total	No.	% of total	No.	% of total
Total establishments*	198	100.0%	101	100.0%	230	100.0%
Employment size:						
Under 10 employees	87	43.9	14	13.9	107	46.5
10-49 employees	60	30.3	43	42.6	76	33.0
50-249 employees	30	15.2	39	38.6	40	17.4
250 or more employees	21	10.6	5	5.0	7	3.0
	Leather Gloves & Mittens (SIC 315)		Women's Handbags (SIC 3171)		Luggage (SIC 316)	
	No.	% of total	No.	% of total	No.	% of total
Total establishments*	94	100.0%	336	100.0%	257	100.0%
Employment size:						
Under 10 employees	29	30.9	121	36.0	79	30.7
10-49 employees	39	41.5	136	40.5	110	42.8
50-249 employees	26	27.7	64	19.0	55	21.4
250 or more employees	--	--	15	4.5	13	5.1
	Millinery (SIC 2351)					
	No.	% of total				
Total establishments*	92	100.0%				
Employment size:						
Under 10 employees	33	35.9				
10-49 employees	46	50.0				
50-249 employees	13	14.1				
250 or more employees	--	--				

* Includes only establishments with payrolls which were active as of December 15, 1982.

Source: U.S. Bureau of the Census,
County Business Patterns, 1982

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

According to Sales & Marketing Management magazines' survey of industrial buying power, the share of accessory shipments accounted for by plants with 100 or more employees declined for all measured accessory categories between 1982 and 1983. During the same period, the number of plants with 100+ employees registered declines in five of the nine categories.

The latest government data on concentration in the accessory industry comes from the 1977 Census of Manufactures, the results of which are summarized below. Results on concentration from the 1982 census are scheduled to be released by the bureau early in 1986.

Employment & Share of Industry Shipments in Large Accessories Manufacturing Plants, 1982, 1983

	<u>Number of Plants</u>		<u>% of Industry Shipments Accounted for by Plants With 100 or More Employees</u>
	<u>With 20+ Employees</u>	<u>With 100+ Employees</u>	
Precious metal jewelry (SIC 3911*)			
1983	521	93	55%
1982	484	91	56
Costume jewelry (SIC 3961*)			
1983	304	64	59
1982	296	71	64
Watches, clocks & watchcases (SIC 3873*)			
1983	124	54	89
1982	115	57	92
Women's handbags (SIC 3171*)			
1983	140	42	71
1982	133	48	76
Personal leather goods (SIC 3172*)			
1983	123	35	70
1982	121	35	72
Fabric dress & work gloves (SIC 2381*)			
1983	126	49	76
1982	135	57	78
Leather gloves & mittens (SIC 3151*)			
1983	67	17	61
1982	67	19	66
Luggage (SIC 3161*)			
1983	126	36	73
1982	113	35	76
Apparel belts (SIC 2387*)			
1983	110	27	57
1982	103	25	58
Millinery (SIC 2351*)			
1983	46	4	29
1982	na	na	na
na not available			

Source: Sales & Marketing Management
"Survey of Industrial Purchasing Power"
April 1983, 1984. All Rights Reserved

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

Concentration Ratios Among Companies Manufacturing Accessories, 1977

Industry	Value of Shipments (Mil. \$)	Percent Accounted For By:			
		4 largest companies	8 largest companies	20 largest companies	50 largest companies
Precious metal jewelry (SIC 3911*)	\$ 2,107.0	18.1%	24.0%	34.6%	48.2%
Costume jewelry (SIC 3961*)	816.6	23.3	32.5	47.3	63.2
Watches, clocks & watchcases (SIC 3873*)	1,594.7	58.1	64.2	79.6	91.6
Women's handbags (SIC 3171*)	505.2	21.4	30.8	48.1	70.4
Personal leather goods (SIC 3172*)	366.8	38.3	49.4	66.9	85.7
Fabric dress & work gloves (SIC 2381*)	312.4	44.5	63.1	82.4	95.8
Leather gloves & mittens (SIC 3151*)	178.0	38.2	53.9	78.7	96.9
Luggage (SIC 3161*)	654.9	39.5	49.9	65.9	84.6
Apparel belts (SIC 2387*)	286.9	20.8	32.3	51.0	71.0
Millinery (SIC 2351*)	75.1	18.7	27.8	48.2	78.8

Source: U.S. Bureau of the Census,
Census of Manufactures, 1977
Concentration Ratios in Manufacturing
MC77-SR-9

Location of the Industry

Most manufacturers classified in accessories product classifications are concentrated in New York State--including eight out of the 10 of the reported industry classifications (SIC). Plants in New York accounted for more than half the value of industry shipments of women's handbags and purses, as well as in the millinery industry. However, the costume jewelry industry is most heavily concentrated in Rhode Island.

Following industry trends, as previously covered, industries in the accessories classification have been diminishing in size. In New York State, of the eight classifications where the state predominated, employment in 1982 was below the comparable total for 1977, for a loss of almost 7,000 jobs. Only in the belts industry and millinery industry were gains reported in total employment, for a total of 2,000 jobs.

GENERAL INDUSTRY STATISTICS

Location of the Industry

Leading States in the Manufacture of Specified Accessories, 1982 (Figures are preliminary, except where noted)

	No. of Establishments		Value of Industry Shipments	% of Total
	Total	With 20+ Employees		
Costume jewelry (SIC 3961), total	784	185	\$ 1,026.6	100.0%
Leading states:				
Rhode Island	299	91	536.1	52.2
New York	177	38	120.9	11.8
California	73	9	46.0	4.8
Massachusetts	35	16	130.0	12.7
New Jersey	22	7	43.3	4.2
Precious metal jewelry (SIC 3911) total*	2,193	367	3,039.1	100.0
Leading states:				
New York	770	161	1,190.7	39.2
California	270	29	260.7	8.6
Rhode Island	233	60	480.9	15.8
Florida	110	11	97.4	3.2
Texas	77	14	170.1	5.6
Watches, clocks & watchcases (SIC 3873), total	229	83	1,167.7	100.0
Leading states:				
New York	49	18	204.7	17.5
Illinois	17	6	65.8	5.6
Massachusetts	11	4	43.4	3.7
Michigan	9	5	70.5	6.0
Pennsylvania	9	5	48.9	4.2
Women's handbags & purses (SIC 3171), total	376	148	622.9	100.0
Leading states:				
New York	186	78	342.6	55.0
California	39	10	28.7	4.6
Massachusetts	20	8	30.7	4.9
New Jersey	20	11	41.9	6.7
Florida	19	8	31.1	5.0
Texas	13	6	13.1	2.1
Pennsylvania	10	3	14.9	2.4
Personal leather goods (SIC 3172), total	242	86	405.6	100.0
Leading states:				
New York	69	26	109.5	27.2
California	53	13	20.3	5.0
New Jersey	13	7	48.8	12.1
Massachusetts	12	6	56.3	14.0

(continued)

GENERAL INDUSTRY STATISTICS

Location of the Industry

Leading States in the Manufacture of Specified Accessories, 1982

(Figures are preliminary, except where noted)

(continued)

	No. of Establishments		Value of Industry Shipments	% of Total
	Total	With 20+ Employees		
Leather gloves & mittens (SIC 3151), total	96	54	\$ 177.6	100.0
Leading states:				
New York	24	10	61.6	34.7
Wisconsin	16	10	21.1	11.9
Fabric dress & work gloves (SIC 2381), total	102	64	419.3	100.0
Leading states:				
North Carolina	14	11	40.2	9.6
Mississippi	12	9	(D)	--
New York	11	3	23.6	5.6
Georgia	6	6	5.8	1.4
Apparel belts (SIC 2387), total	319	143	556.5	100.0
Leading states:				
New York	165	73	236.9	42.6
California	40	16	44.0	7.9
Texas	25	14	51.2	9.2
Pennsylvania	13	8	40.5	7.3
Florida	10	2	4.3	0.8
Millinery (SIC 2351), total	104	35	88.7	100.0
Leading states:				
New York	69	22	54.9	61.9
Luggage (SIC 3161), total	293	132	792.7	100.0
Leading states:				
New York	64	40	149.7	18.9
California	43	18	49.3	6.2
Illinois	27	12	28.7	3.6
New Jersey	16	6	12.5	1.6
Florida	14	6	33.1	4.2

* Final, revised 1982 figures

(D) Withheld to avoid disclosing data for individual companies.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Industry Series

PRODUCTION

Information on production of accessories by U.S. producers is very limited, but may be covered in some detail in final 1982 census of manufactures data.

The following estimates have been compiled by the National Cotton Council of America.

Production of Gloves & Handkerchiefs, 1982, 1983 (thousands of dozens)

	<u>1983</u>	<u>1982</u>
Gloves & mittens (men's & women's) (pairs)	19,286	21,541
Principally knit	6,325	7,450
Principally woven	12,352	13,335
Leather & fabric combination, excluding all-leather	609	756
Handkerchiefs (men's)	15,156	14,434
Handkerchiefs (women's)	2,618	2,493

Source: Economic Services, National Cotton Council of America
Cotton Counts Its Customers.

PRODUCT SHIPMENTS

Estimates of shipments on a product basis are compiled annually by the U.S. Bureau of Industrial Economics and are published in the U.S. Industrial Outlook. These figures cover shipments by all U.S. producers, regardless of primary industry classifications.

As indicated by the compound annual growth rates, the domestic accessory business has been in a tailspin in recent years. For every measured category the compound growth rate was lower in the 1977-1982 period than it was in the 1972-1982 period.

Imports are the major cause of the decline in the accessory business. For the most part accessories tend to be a highly labor intensive industry which allows for quite significant cost differentials for manufacturers who are overseas, in developing countries. In the luggage and personal leather goods segment, the import-to-new supply ratio has risen constantly since 1974 rising from 18.7% to 38.7% in 1982.

According to the U.S. Department of Commerce, the total value of product shipments in 1984 in the luggage and personal goods industry rose to \$2.1 billion, up 3.3% from \$1.9 billion in 1983. This increase was the result of the overall economic recovery. Measured on a constant dollar basis (1972 dollars) product shipments remained virtually unchanged.

The jewelry area, however, has fared better than others. The slow recovery which began in 1983, gained some momentum in 1984, led by precious metal jewelry. The value of product shipments of precious metal jewelry in 1984 was \$3.7 billion (current dollars); those of costume jewelry, \$1.0 billion. Adjusted for inflation, shipments were down 9% and up 1% respectively from 1983.

PRODUCT SHIPMENTS

Shipments of precious metal jewelry, according to industry analysts, were aided by lower gold prices, while those of costume jewelry were adversely affected by a surge in imports. Industry analysts also cite as a reason for the slow growth of the jewelry business consumers postponing purchases in favor of higher priced necessities such as appliances and automobiles.

Estimated Value of Product Shipments (By All Producers) (Millions of Dollars)

	Current Dollars		Constant (1972) Dollars			Current Dollars Compound Annual Rate of Growth	
	1984	1983	1985	1984	1983	1972-1982	1977-1982
Jewelry							
Precious metal	\$3,392	\$3,460	\$ 668	\$ 636	\$ 699	11.0%	7.9%
Costume	997	980	670	650	645	7.9	3.9
Leather accessories	2,058	1,992	1,040	1,033	1,034	5.1	2.0
Leather gloves & mittens	136	134	49	48	49	5.7	2.6
Luggage	729	707	340	334	321	7.2	2.1
Handbags & purses	589	543	339	321	317	4.3	3.7
Small leather goods	414	396	240	239	233	5.1	0.6

Source: International Trade Administration,
1985 U.S. Industrial Outlook.

Details on the quantity and value of accessories products shipped by all manufacturers have been released based on the 1982 census of manufactures, either in preliminary or final form, as noted below. Comparisons are shown with 1977 census data.

Jewelry

Value of Shipments of Jewelry by All U.S. Producers, 1977, 1982 (Millions of Dollars)

	1982	1977	% Change 1982/1977
Precious metal jewelry, total	\$2,823.2	\$1,907.7	+ 48.0%
Jewelry, made of platinum metals & karat gold, total	2,076.5	1,125.1	+ 84.6
Fraternal, college & school rings	253.1	172.1	+ 47.0
Wedding rings	294.2	133.2	+120.9
Other rings	436.4	312.6	+ 39.6
Ring mountings for sale separately	115.2	69.3	+ 66.2
Women's & children's jewelry, incl. necklaces, bracelets, broaches, pins, clips, earrings, etc.	715.8	327.8	+118.4

(continued)

PRODUCT SHIPMENTS

Jewelry

Value of Shipments of Jewelry by All U.S. Producers, 1977, 1982
(Millions of Dollars)
(continued)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Jewelry made of platinum metals & karat gold, total (continued)			
Watch attachments	30.7	31.4	- 2.2%
Organizational jewelry	40.6	44.7	- 9.2
Other, incl. men's religious jewelry, cigarette cases, lighters, compacts, vanity cases, etc.	152.1	52.3	+190.8
Jewelry, n.s.k.	38.4	108.0	- 64.4
Jewelry of precious metals, excl. platinum or karat gold, total	411.0	353.0	+ 16.4
Rings & ring mountings	44.8	35.3	+ 26.9
Men's jewelry	40.5	33.0	+ 22.7
Women's & children's jewelry	218.7	184.3	+ 18.7
Bracelets for watches	40.1	38.1	+ 5.2
Other jewelry	63.2	38.1	+ 65.9
Jewelry, n.s.k.	3.6	24.1	- 85.1
Other jewelry of precious metal	335.7	303.1	+ 10.8
Costume jewelry, total	944.9	781.5	+ 20.9
Base metal:			
Rings & ring mountings	129.1	43.3	+198.2
Men's jewelry, excl. watch attachments & rings	30.5	53.1	- 42.5
Women's & children's jewelry & costume novelties	429.2	402.3	+ 6.7
Bracelets for watches & fraternal, college & school jewelry	82.8	43.2	+ 91.7
Other jewelry, incl. religious	34.3	25.6	+ 34.0
Imitation pearls	5.8	14.3	- 59.4
Compact & vanity cases	74.7	36.2	+106.4
Other costume jewelry made of plastic, wood, leather, etc.	38.3	42.0	- 8.8
Costume jewelry, n.s.k.	120.3	121.4	- 0.9

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
MC-82-39A & MC82-I-39C-5.

PRODUCT SHIPMENTS

Handbags

Quantity & Value of Shipments of All U.S. Producers
Of Women's Purses & Handbags, 1977, 1982
(Value in millions of dollars; quantity in thousands of units)

	<u>Quantity</u>		<u>% Change</u>	<u>Value</u>		<u>% Change</u>
	<u>1982(p)</u>	<u>1977</u>		<u>1982(p)</u>	<u>1977</u>	
Women's purses & handbags	na	na	--	\$524.1	\$436.2	+ 20.2%
All leather & chiefly leather	13.2	(S)	--	234.9	109.4	+114.7
Plastics or chiefly plastic	12.4	25.1	- 50.6%	111.6	154.6	- 27.8
Other materials exc. precious metal	11.4	(S)	--	72.1	53.2	+ 35.5
Women's & children's handbags, n.s.k.	na	na	--	105.4	119.0	- 11.4

(p) preliminary

na not available

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Preliminary Report Series,
MC82-I-31B-3(P), March 1984.

Belts

Quantity & Value of Shipments of Apparel Belts by All U.S. Producers
1977, 1982
(Value in millions of dollars; quantity in thousands of dozens)

	<u>Quantity</u>		<u>% Change</u>	<u>Value</u>		<u>% Change</u>
	<u>1982(p)</u>	<u>1977</u>		<u>1982(p)</u>	<u>1977</u>	
Apparel belts, total	na	na	--	\$482.6	\$244.3	+ 97.5%
Leather, total	na	7,040.0	--	269.6	155.5	+ 73.4
Women's & children's	3,983.6	1,442.0	+176.3%	96.8	32.3	+199.7
Men's & boys'	6,155.1	5,466.0	+ 12.6	166.0	119.5	+ 38.9
Not specified	na	132.0	--	6.8	3.7	+ 83.3
Other materials	na	5,983.0	--	164.8	58.2	+183.2
Women's & children's	11,231.9	4,613.0	+143.5	111.1	39.1	+184.1
Men's & boys'	4,319.0	715.0	+504.0	49.6	13.2	+275.7
Not specified	na	655.0	--	4.2	5.9	- 28.8
Materials unspecified	na	na	--	49.2	30.6	+ 60.8

(p) preliminary

na not available

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Preliminary Report Series,
MC82-I-23D-6(P), March 1984.

PRODUCT SHIPMENTS

Personal Leather Goods

Quantity & Value of Shipments of Personal Leather Goods
By All Producers, 1977, 1982
(Value in millions of dollars; quantity in thousands of units)

	Quantity		% Change 1982/77	Value		% Change 1982/77
	1982(p)	1977		1982(p)	1977	
Personal leather goods, total	na	na	--	\$379.5	\$369.2	+ 2.8%
Billfolds, wallets, french purses, & clutches	45,610.8	na	--	186.7	136.0	+ 37.3
Leather	27,381.1	23,078.2	+ 18.6%	157.5	125.3	+ 25.7
All other materials	18,229.7	na	--	29.1	10.7	+172.0
Travel kits (fitted & unfitted)	1,848.5	na	--	10.0	21.9	- 54.3
Jewelry boxes & cases, exc. precious metal	na	13,091.2	--	17.4	47.1	- 63.1
Leather compacts and vanity cases	1,256.3	na	--	1.8	na	--
Other personal goods, incl. key, cigarette, eyeglass, pass card & instrument cases; pocket secretaries; tobacco pouches, cosmetic bags, etc.	na	na	--	102.3	97.9	+ 4.5
Leather	na	na	--	38.1	55.8	- 31.7
All other materials	na	na	--	64.2	42.1	+ 52.5
Personal leather goods, n.e.c.	na	na	--	61.3	66.3	- 7.5

na not available

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Preliminary Report Series,
MC82-I-31B-4(P), March 1984.

Millinery

Quantity & Value of Shipments of Millinery Products
By All U.S. Producers, 1982(p), 1977
(Value in millions of dollars; quantity in thousands of dozens)

	Quantity		% Change 1982/77	Value		% Change 1982/77
	1982(p)	1977		1982(p)	1977	
Millinery total	na	na	--	\$ 87.1	\$ 74.2	+ 17.4
Fur-felt & wool felt millinery	267.7	215.0	+ 24.5%	18.2	12.5	+ 45.6
Fabric millinery (made from all types fabrics)	800.6	496.0	+ 61.4	20.5	12.3	+ 66.7
All other millinery	435.1	140.0	+210.7	21.7	14.7	- 47.6
Millinery, n.s.k.	na	na	--	20.6	34.7	- 23.3

na not available

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Preliminary Report Series, MC82-I-23C-3(P)

PRODUCT SHIPMENTS

Luggage

Quantity & Value of Shipments of Luggage
By All U.S. Producers, 1977, 1982
(Quantities in thousands; value in millions of dollars)

	Quantity		% Change	Value		% Change
	1982(p)	1977	1982/77	1982(p)	1977	1982/77
Luggage, total	na	na	--	\$648.3	\$585.3	+ 16.9%
Women's hand luggage, all types except zippered	2,432.7	5,123.0	- 52.5%	88.2	107.5	- 18.0
Soft side (lock construction)	(S) 1,946.4		--	21.2	35.5	- 40.3
Other (including hard side & fully or semi-molded)	(D) 3,176.6		--	67.0	72.0	- 6.9
Men's hand luggage, all types except zippered	1,169.5	2,956.9	- 60.4	50.5	65.8	- 23.3
Molded (fully or semi-molded)	901.6	1,559.4	- 42.2	31.5	35.7	- 11.8
Other (including hard & soft side)	267.9	397.5	- 32.6	19.0	30.1	- 36.9
Men's & women's zippered hand luggage	6,304.7	9,916.7	- 36.4	165.7	147.1	+ 12.6
Occupational luggage cases, sample case, etc.	5,324.3	3,569.7	+ 49.2	45.1	32.5	+ 38.8
Trunks, hand trunks & lockers	985.9	1,619.9	- 39.1	23.0	19.3	+ 19.2
Briefcases, envelopes, school bags	3,663.4	5,395.2	- 32.1	34.9	27.8	+ 25.5
Attache cases	2,157.0	3,857.7	- 44.1	56.4	58.3	- 3.3
Other (musical instrument cases, etc.)	9,050.6	na	--	65.3	37.6	+ 73.3
Luggage, n.s.k.	na	na	--	104.6	79.7	+ 32.2

na not available

n.s.k. not specified by kind

(S) Surpressed

(D) Withheld to avoid disclosure

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Preliminary Report Series,
MC82-I-31B-2(P)

Gloves

Later data (covering 1983) is available on shipments of gloves by U.S. manufacturers than for other accessories classifications through the Current Industrial Reports Series compiled on the basis of a survey by the Census Bureau covering manufacturers of leather, fabric, rubber and plastic gloves and mittens, as well as jobbers.

PRODUCT SHIPMENTS

Gloves

Quantity & Value of Shipments of Gloves & Mittens By All U.S. Producers, 1982, 1983

	Quantity (Thous. Doz.)		% Change 1983/82	Value (Mil. \$)		% Change 1983/82
	1983	1982		1983	1982	
Dress & semidress gloves & mittens, total	2,253	1,899	+ 18.6%	\$ 73.1	\$ 67.4	+ 8.5%
By material:						
All knit fabric, seamless	1,367	1,040	+ 31.4	16.3	13.9	+ 17.3
Leather & fabric combination	216	199	+ 8.5	17.1	15.8	+ 8.2
All leather	422	374	+ 12.8	36.2	33.6	+ 7.7
All other materials	248	286	- 13.3	3.5	4.1	- 14.6

Source: U.S. Bureau of the Census,
Current Industrial Report,
Gloves & Mittens MA-23D(83)-1.

By Leading States

The U.S. Bureau of the Census currently has available statistics on shipments of accessories by state for four segments of the accessory industry, as summarized below.

New York accounted for more than half of all shipments of non-leather belts in 1982 as well as 44.8% of platinum and karat gold jewelry and 29.6% of leather belts. Rhode Island was the largest producer of precious metal jewelry other than platinum and karat gold accounting for better than 40% of shipments of this type of accessory.

Value of Shipments of Specified Accessory Products By Leading States 1977, 1982 (Millions of dollars)

	Value of Shipments		% Change 1982/1977	% of Total 1982
	1982	1977		
Jewelry made of platinum metals & karat gold				
Leading states:				
New York	\$ 931.2	\$ 608.2	+ 53.1%	44.8
California	184.7	81.9	+125.5	8.9
Massachusetts	138.8	105.6	+ 31.4	6.7
New Jersey	136.0	82.7	+ 64.4	6.5
Texas	122.2	63.0	+ 94.0	5.9
Leading states, total	1,512.9	941.4	+ 60.7	72.9
U.S. total	2,076.5	1,251.5	+ 66.0	100.0%

(continued)

PRODUCT SHIPMENTS

By Leading States

Value of Shipments of Specified Accessory Products By Leading States
1977, 1982
(Millions of dollars)
(continued)

	<u>Value of Shipments</u>		<u>% Change</u>	<u>% of</u>
	<u>1982</u>	<u>1977</u>	<u>1982/77</u>	<u>Total</u>
				<u>1982</u>
Other jewelry made of precious metals				
Leading states:				
Rhode Island	\$ 167.0	\$ 191.0	- 12.6%	40.6
New York	74.5	51.1	+ 45.8	18.1
Massachusetts	33.7	33.5	+ 0.6	8.2
Texas	17.7	na	--	4.3
Illinois	14.0	1.8	+677.7	3.4
California	11.6	9.5	+ 22.1	2.8
Leading states, total	306.9	na	--	74.7
U.S. total	411.0	353.0	+ 16.4	100.0%
Leather belts				
Leading states:				
New York	77.6	32.2	+141.0	29.6
Texas	31.2	21.0	+ 48.6	11.9
California	28.0	10.3	+171.8	10.7
New Jersey	19.4	6.4	+203.1	7.4
Massachusetts	15.7	7.4	+112.2	6.0
Leading states, total	171.9	77.7	+121.2	65.7
U.S. total	261.5	155.5	+ 68.2	100.0
Belts other than leather				
Leading states:				
New York	99.8	37.4	+166.8	54.0
Pennsylvania	13.1	3.6	+263.8	7.0
Massachusetts	10.1	3.1	+225.8	5.5
California	8.6	3.5	+145.7	4.7
North Carolina	9.1	2.4	+279.2	4.9
Leading states, total	140.7	50.0	+181.4	76.2
U.S. total	184.7	58.2	+217.4	100.0

Source: Based on U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series

PRODUCER PRICE INDEX

Producer (factory) prices for all commodities increased 1.8% between December 1983 and November 1984 according to the U.S. Bureau of Labor Statistics. Due to lower gold and other precious metal prices, the producer price for most jewelry items recorded declines during this same period. The most noticeable decline was in the gold wedding ring category which fell 13.2%.

Producer Price Index of Specified Accessories, 1982, 1983 Average & December 1983, 1984 (December 1978 = 100 unless otherwise indicated)

	<u>December</u>		% Change <u>1984/83</u>	<u>Annual Average</u>		% Change <u>1983/82</u>
	<u>1984</u>	<u>1983</u>		<u>1983</u>	<u>1982</u>	
All commodities (1967=100)	309.9	306.1	+ 1.2%	303.1	299.3	+ 1.3%
Jewelry, platinum & karat gold	174.7	184.4	- 5.3	191.1	174.4	+ 9.6
Rings, ladies', high fashion	189.2	190.6	- 0.7	193.1	170.6	+ 13.2
Rings, wedding, gold	179.4	206.6	- 13.2	225.3	203.1	+ 10.9
Earrings, 14 karat gold	172.1	181.9	- 5.4	187.6	174.9	+ 7.3
Other precious metal jewelry	167.8	163.1	+ 2.9	164.3	164.4	- 0.1
Rings, ladies' & men's, sterling	189.6	189.6	--	189.6	191.2	- 0.8
Bracelets, ladies', gold filled	154.6	147.1	+ 5.1	149.1	148.2	+ 0.6
Costume jewelry	143.3	136.2	+ 5.2	128.9	126.4	+ 2.0
Rings, ladies', costume	118.7	111.9	+ 6.1	106.9	104.7	+ 2.1
Earrings, children's costume	128.9	115.6	+ 11.5	124.3	130.9	- 5.0
Men's dress leather gloves (1967=100)	320.6	329.5	- 2.7	328.6	332.8	- 1.3
Luggage & small leather goods (1967=100)	221.3	205.0	+ 8.0	203.7	199.0	+ 2.4
Women's & children's handbags & purses (June 1982=100)	na	105.3	--	103.3	na	--
Attache cases, non-leather (1967=100)	213.0	194.2	+ 9.7	194.2	187.1	+ 3.8

na not available

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

Imports have become a severe problem for U.S. accessory manufacturers and the inroads made by foreign manufactured goods shows no signs of abating. The import-to-new-supply ratio for luggage and personal goods has risen from 18.7% in 1974 to 50.1% in 1984. For precious metal jewelry the same ratio rose from 4.2% to 24.9% and costume jewelry went from 10.4% to 28.6% during the same period, according to the 1985 U.S. Industrial Outlook (International Trade Administration).

Industry analysts cite two major reasons for the continued growth of imports in the accessory business. The first is the strong U.S. dollar which is having devastating effects on all product categories. The second major reason is the inherent

FOREIGN TRADE

Imports (continued)

labor intensiveness of the accessory industry. Because the largest cost in accessory production is labor, manufacturers in low-cost, developing countries are able to severely price undercut domestic manufacturers who are forced to pay higher rates for labor.

According to the U.S. Bureau of the Census nearly every measured category of accessories imported over the first 10 months of 1984 over the comparable period in 1983 rose. The only exception was watch movements, whose value of imports declined 4.6% during this period. Every other category registered increases of at least 25% ranging to a high of 226.8% for handbags, flat goods and luggage reported together.

With the exception of handbags from Italy, most U.S. accessory imports carry low price points and come mainly from the Far East.

Detailed information on imports and exports of specified types of accessories as compiled in U.S. Census Bureau data are reported on the following tables.

Summary of U.S. Imports of Specified Accessories,
January-September 1983, 1984
(Quantity in thousands of units, unless otherwise indicated)

	Quantity			C.I.F. Value (Mil. \$)		
	Jan. - Sept. 1984	1983	% Change 1984/83	Jan. - Sept. 1984	1983	% Change 1984/83
Jewelry & religious articles, total	nr	nr	--	\$984.2	\$671.9	+ 46.5%
Watches & watchcases, total	34,465.1	27,231.0	+ 26.9%	516.3	387.0	+ 33.4
Watch movements, total	4,001.0	4,217.1	- 5.1	29.2	30.6	- 4.6
Watch bracelets, total	21,617.4	19,205.2	+ 12.6	36.1	28.2	+ 28.0
Handbags, reported separately, total	153,019.0	130,946.1	+ 16.9	467.9	361.9	+ 29.3
Handbags & luggage, reported together, total	4,637.5	3,050.1	+ 52.0	26.8	13.2	+103.0
Handbags, flat goods & luggage reported together, total	nr	nr	--	18.3	5.6	+226.8
Luggage, reported separately, total	nr	nr	--	514.0	303.4	+ 69.4
Flat goods, reported separately, total	nr	nr	--	113.5	80.6	+ 40.8
Gloves & glove linings, total (thous. doz. pairs)	26,240.9	19,040.9	+ 37.8	196.3	140.3	+ 39.9
Gloves, horse or cowhide	5,795.1	4,036.7	+ 43.6	86.0	56.5	+ 52.2
Gloves, of leather, nspf	563.4	413.6	+ 36.2	20.3	15.7	+ 29.3
Other gloves & glove linings	19,882.4	14,590.6	+ 36.3	90.0	68.1	+ 32.2

(continued)

FOREIGN TRADE

Imports

Summary of U.S. Imports of Specified Accessories,
January - September 1983, 1984
 (Quantity in thousands of units, unless otherwise indicated)
 (continued)

	Quantity			C.I.F. Value (Mil. \$)		
	Jan. - Sept. 1984	Sept. 1983	% Change 1984/83	Jan. - Sept. 1984	Sept. 1983	% Change 1984/83
Mufflers, scarves & shawls, etc.	nr	nr	--	\$ 43.3	\$ 24.6	+ 76.0%
Handkerchiefs, total (thous. doz.)	3,159.9	2,755.0	+ 14.7%	10.5	8.4	+ 25.0
Headwear, total	nr	nr	--	149.4	105.1	+ 42.2
Leather belts	nr	nr	--	57.0	37.0	+ 54.1
Umbrellas	42,980.2	31,988.9	+ 34.4	78.2	54.0	+ 44.8

nr not reported

nspf not specially provided for

* The C.I.F. value is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
 U.S. General Imports FT 135,
 September 1983, 1984

U.S. Imports of Specified Accessories, 1982, 1983
 (Quantity in thousands of units, unless otherwise indicated)

	Quantity		% Change 1983/82	C.I.F. Value* (Mil. \$)		% Change 1983/82
	1983	1982		1983	1982	
Jewelry & religious articles, total	nr	nr	--	\$1,067.9	\$1,027.2	+ 4.0%
Nonprecious metal jewelry	nr	nr	--	172.4	143.0	+20.6
Precious metal jewelry, set or unset	nr	nr	--	793.2	800.8	- 0.9
Precious stones & pearls	nr	nr	--	102.3	83.4	+22.7
Watches & watchcases, total	35,916.3	98,233.9	- 63.4%	514.6	721.5	-28.7
Not over 7 jewels	31,038.1	91,931.9	- 66.2	429.5	622.0	-30.9
8-17 jewels	1,619.0	1,951.1	- 17.0	40.9	57.9	-29.4
Over 17 jewels	100.1	82.9	+ 20.7	32.0	27.3	+17.2
Watchcases	3,159.1	4,267.4	- 26.0	12.2	14.3	-14.7

(continued)

FOREIGN TRADE

Imports

U.S. Imports of Specified Accessories, 1982, 1983
 (Quantity in thousands of units, unless otherwise indicated)
 (continued)

	Quantity		% Change 1983/82	C.I.F. Value*		% Change 1983/82
	1983	1982		(Mil. \$) 1983	1982	
Watch movements, total	4,688.5	11,327.4	- 58.6%	\$ 36.8	\$ 56.4	- 34.8%
Not over 1 jewel	2,510.0	9,086.7	- 72.4	13.0	31.2	- 58.3
2-7 jewels	2,455.2	2,055.4	+ 19.5	22.7	22.8	- 0.4
8-15 jewels	22.7	17.4	+ 30.5	0.1	0.4	- 75.0
16-17 jewels	57.7	139.7	- 58.7	0.9	1.4	- 35.7
Over 17 jewels	2.9	28.2	- 89.7	0.1	0.6	- 83.3
Watch bracelets of nonprecious materials, total (thous. doz.)	2,018.6	3,688.5	- 45.3	37.0	45.6	- 18.9
Handbags (separately reported)	181,656.0	162,162.4	+ 12.0	507.0	441.1	+ 14.9
Nonreptile leather	28,082.4	20,201.3	+ 39.0	213.9	169.7	+ 26.0
Plastic, (other than reinforced or laminated plastic), nspf	69,412.6	49,470.1	+ 40.3	142.4	108.9	+ 30.8
Textile material, nspf	78,401.3	87,181.5	- 10.1	140.1	153.1	- 8.5
Beads, imitation gemstones, etc.	848.1	810.8	+ 4.6	2.3	1.7	+ 35.3
Paper yarns	40.9	21.7	+ 88.5	0.2	0.1	+100.0
Materials, nspf	4,870.7	4,477.0	+ 8.8	8.1	7.6	+ 6.6
Handbags & luggage (reported together), total	4,057.2	5,152.9	- 21.3	18.4	18.2	+ 1.1
Reptile leather	250.3	100.9	+148.1	6.3	4.0	+ 57.5
Willow & similar unspun fibrous vegetable fibers	3,806.9	5,052.0	- 24.6	12.1	14.2	- 14.8
Handbags, flat goods & luggage (reported together), total	nr	nr	--	8.2	6.9	+ 18.8
Reinforced or laminated plastic (thous. pounds)	555.6	404.6	- 37.3	1.7	1.4	+ 21.4
Textile material, in part braid or handloomed	nr	nr	--	6.5	5.5	+ 18.2
Luggage (separately reported), total	nr	nr	--	442.5	367.6	- 20.4
Nonreptile leather	nr	nr	--	58.3	38.6	+ 51.0
Textile material, nspf	nr	nr	--	235.2	164.4	+ 43.1
Materials, nspf	nr	nr	--	149.0	164.6	- 9.5
Flat goods (billfolds, key cases, etc.) (separately reported), total	nr	nr	--	\$ 116.2	\$ 99.9	+ 16.3
Leather, nspf	nr	nr	--	60.5	49.0	+ 23.5
Textile materials, nspf	nr	nr	--	30.4	30.6	- 0.7
Materials, nspf	nr	nr	--	25.3	20.3	+ 24.6

(continued)

FOREIGN TRADE

Imports

U.S. Imports of Specified Accessories, 1982, 1983
(Quantity in thousands of units, unless otherwise indicated)
(continued)

	Quantity		% Change 1983/82	C.I.F. Value* (Mil. \$)		% Change 1983/82
	1983	1982		1983	1982	
Gloves & glove linings, total	25,680.2	23,015.7	+ 11.6%	\$195.5	\$180.8	+ 8.1%
Gloves, horse or cowhide, total (thous. dozen pairs)	5,520.2	4,781.6	+ 15.4	80.1	76.9	+ 4.2
All leather	1,859.2	1,513.2	+ 22.9	38.7	35.8	+ 8.1
Not wholly leather	3,661.0	3,268.4	+ 12.0	41.4	41.1	+ 0.7
Gloves, of leather, nspf, total (thous. dozen pairs)	601.4	316.1	+ 90.3	23.1	17.7	+ 30.5
Men's	378.5	149.9	+152.5	8.9	6.4	+ 39.1
Lined	190.0	79.0	+140.5	5.2	3.9	+ 33.3
Not lined	188.5	70.9	+165.9	3.7	2.5	+ 48.0
Women's or children's	222.9	166.2	+ 34.1	14.2	11.3	+ 25.7
Lined	200.8	145.7	+ 37.8	13.0	10.4	+ 25.0
Not lined	22.1	20.5	+ 7.8	1.2	0.9	+ 33.3
Other gloves & glove linings, (thous. dozen pairs)	19,558.6	17,918.0	+ 9.2	92.3	86.2	+ 7.1
Knit	9,887.6	8,593.5	+ 15.1	32.5	28.7	+ 13.2
Cotton	7,068.8	6,777.1	+ 4.3	18.5	17.6	+ 5.1
Textile materials, nspf	291.7	240.1	+ 21.5	6.5	6.3	+ 3.2
Man-made fibers	2,527.1	1,576.3	+ 60.3	7.7	4.8	+ 60.4
Not knit	9,671.0	9,324.5	+ 3.7	59.6	57.5	+ 3.7
Man-made fibers	3,010.8	2,188.9	+ 37.5	34.7	29.6	+ 17.2
Other textile materials	6,660.2	7,135.6	- 6.7	24.9	27.9	+ 10.8
Mufflers, scarves & shawls, etc., not knit, total	na	na	--	37.2	25.4	+ 46.5
Cotton	859.9	585.7	+ 46.8	1.6	1.0	+ 60.0
Vegetable fibers, not cotton	4.8	1.4	+242.9	**	**	--
Wool	2,382.6	1,588.4	+ 50.0	8.7	5.8	+ 50.0
Silk, not ornamented	5,834.6	2,773.5	+110.4	14.8	9.6	+ 54.2
Man-made fibers	15,050.2	9,915.7	+ 51.8	11.1	8.4	+ 32.1
Textile materials (thous. pounds)	216.5	146.6	+ 47.7	1.0	0.6	+ 66.7
Handkerchiefs, total (thous. doz.)	4,161.2	3,596.8	+ 15.7	12.2	12.3	- 0.8
Cotton	3,510.4	3,048.2	+ 15.2	8.4	8.2	+ 2.4
Silk	139.6	136.4	+ 2.3	2.1	2.2	- 4.5
Vegetable fibers, not cotton	75.3	79.7	- 5.5	0.5	0.6	- 16.7
Textile materials	435.9	332.5	+ 31.1	1.2	1.3	- 7.7
Headwear, total	nr	nr	--	138.2	125.8	+ 9.9
Vegetable material, paper & man-made fibers, nspf	nr	nr	--	47.9	47.1	+ 1.7
Wool, except felt	3,922.5	2,610.8	+ 50.2	10.7	7.4	+ 44.6
Textile material, except wool, nspf	nr	nr	--	51.7	48.1	+ 7.5

(continued)

FOREIGN TRADE

Imports

U.S. Imports of Specified Accessories, 1982, 1983 (Quantity in thousands of units, unless otherwise indicated) (continued)

	Quantity		% Change 1983/82	C.I.F. Value* (Mil. \$)		% Change 1983/82
	1983	1982		1983	1982	
Headwear (continued)						
Fur not on the skin, men's & boys'	193.2	161.7	+ 19.5%	\$ 1.8	\$ 2.1	- 14.3%
Felt & fur not on the skin	nr	nr	--	1.7	1.2	+ 41.7
Headband & reinforced plastic headwear or hardhats, nspf	nr	nr	--	24.4	20.3	+ 20.2
Leather belts, total	nr	nr	--	52.4	36.7	+ 42.8
Umbrellas	46,627.7	nr	--	78.3	nr	--

na not available

nr not reported

nspf not specially provided for

* The C.I.F. value is based on the purchase price as well as all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

** Less than \$0.1 million

Source: U.S. Bureau of the Census,
U.S. General Imports, FT 135,
December 1983, 1982

Exports

No overall category of accessories managed to record a gain in its value of exports between 1982 and 1983, while two groups, handkerchiefs and gloves remain even.

The largest declines during the period were recorded by umbrellas and handbags, off 44.4% and 38.0%, respectively.

FOREIGN TRADE

Exports

U.S. Exports of Specified Accessories, 1982, 1983
 (Quantity in thousands of units, unless otherwise indicated)

	Quantity		% Change 1983/82	Value (Mil. \$)		% Change 1983/82
	1983	1982		1983	1982	
Jewelry, total	nr	nr	--	\$177.7	\$180.8	- 1.7%
Not precious or semiprecious	nr	nr	--	55.0	61.1	- 10.0
Platinum or gold, set or unset	nr	nr	--	34.2	31.0	+ 10.3
Rolled precious metal or sterling silver, set or unset	nr	nr	--	13.5	13.5	--
Precious stones or natural pearls	nr	nr	--	69.3	69.7	- 0.6
Cultured pearls or semiprecious stones	nr	nr	--	5.7	5.5	+ 3.6
Watches, watchcases & watch movements, total	nr	nr	--	33.7	51.5	- 34.6
Watches	692.1	919.0	- 24.7%	9.6	16.1	- 40.4
Watch movements	269.3	1,160.7	- 76.8	1.3	3.7	- 64.9
Watch cases & parts thereof	nr	nr	--	22.8	31.7	- 28.1
Handbags, total	4,635.2	6,320.4	- 26.7	9.3	15.0	- 38.0
Leather	191.3	273.4	- 30.0	2.4	3.1	- 22.6
Plastics	3,825.7	5,058.0	- 24.4	1.8	4.2	- 57.1
All other materials	618.2	989.0	- 37.5	5.1	7.7	- 33.8
Flat goods (billfolds, key cases, etc.), total	nr	nr	--	5.6	6.7	- 16.4
Leather	nr	nr	--	1.2	1.9	- 36.8
Non-leather	nr	nr	--	4.4	4.8	- 8.3
Luggage, total	nr	nr	--	32.5	39.0	- 16.7
Handkerchiefs, total (thous. doz.)	122.8	244.0	- 49.7	0.5	0.5	--
Cotton	92.7	175.1	- 47.1	0.4	0.1	+300.0
Man-made fibers	21.2	46.5	- 54.4	0.1	0.3	- 66.7
All other textile fibers	8.9	22.4	- 60.3	**	0.1	--
Mufflers, scarves & shawls (thous. doz.)	37.6	52.8	- 28.8	0.4	0.6	- 33.3
Gloves & glove linings (thous. doz.), total	2,508.1	2,352.4	+ 6.6	26.8	26.8	--
Cotton	865.2	555.2	+ 55.8	5.4	3.9	+ 38.5
Wool	3.4	11.1	- 69.4	**	0.1	--
Man-made fibers	176.2	140.3	+ 25.6	2.0	1.6	+ 25.0
All other textile materials	489.6	467.7	+ 4.7	4.5	4.5	--
Leather or of fur on the skin	439.0	641.8	- 31.6	8.6	9.4	- 8.5
Material, nspf	534.7	536.3	- 0.3	6.3	7.3	- 13.7

(continued)

FOREIGN TRADE

Exports

U.S. Exports of Specified Accessories, 1982, 1983
 (Quantity in thousands of units, unless otherwise indicated)
 (continued)

	<u>Quantity</u>		<u>% Change</u> 1983/82	<u>Value*</u> (Mil. \$)		<u>% Change</u> 1983/82
	<u>1983</u>	<u>1982</u>		<u>1983</u>	<u>1982</u>	
Leather belts, total	nr	nr	--	\$ 4.2	\$ 5.4	- 22.2%
Headwear, total (thous. doz.)	1,593.4	1,691.2	- 5.8%	21.7	\$ 24.4	- 11.1
Reinforced or laminated plastics	334.0	522.3	- 36.1	4.7	6.7	- 29.9
Rubber or plastic, except reinforced or laminated plastics	329.4	197.0	+ 67.2	3.0	3.7	- 18.9
Other headwear, except rubber or plastic	929.8	971.9	- 4.3	14.0	14.0	--
Umbrellas	108.9	106.1	+ 2.6	1.0	1.8	- 44.4

nr not reported

nspf not specified by kind

* The export value is generally equivalent to a f.a.s. (free alongside ship) value at the U.S. port of export, based on the transaction price, including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

**Less than \$0.1 million.

Source: U.S. Bureau of the Census,
 U.S. Exports FT 446,
 December 1982, 1983.

AT THE RETAIL LEVEL

THE SIZE OF THE POTENTIAL MARKET

Population Projections - 1984, 1994, 2005
 (Middle Series*)

	<u>Number (Thousands)</u>			<u>% Change</u> 2005/1984	<u>Percent Distribution</u>		
	<u>1984</u>	<u>1994</u>	<u>2005</u>		<u>1984</u>	<u>1994</u>	<u>2005</u>
Male							
Total, all ages	115,073	125,464	134,297	+ 16.7%	100.0%	100.0%	100.0%
Under 5 years	9,329	9,635	8,931	- 4.3	8.1	7.7	6.6
5 to 9 years	8,296	9,866	9,094	+ 9.6	7.2	7.9	6.8
10 to 15 years	10,708	11,245	11,698	+ 9.2	9.3	9.0	8.7
16 years & over	86,742	94,718	104,574	+ 20.5	75.4	75.4	77.9

(continued)

THE SIZE OF THE POTENTIAL MARKET

Population Projections - 1984, 1994, 2005 (Middle Series*) (continued)

	Number (Thousands)			% Change	Percent Distribution		
	1984	1994	2005	2005/1984	1984	1994	2005
Male (continued)							
16 - 19	7,653	6,712	8,058	+ 5.3%	6.6%	5.3%	6.0%
20 - 34	31,522	29,725	27,416	- 13.0	27.4	23.7	20.4
35 - 54	25,975	35,187	40,769	+ 56.9	22.6	28.0	30.4
55 - 64	10,375	9,793	14,060	+ 35.5	9.0	7.8	10.5
65 & over	11,217	13,300	14,271	+ 27.2	9.7	10.6	10.6
Median age (years)	29.9	33.0	36.0	+ 20.4	--	--	--
Female							
Total, all ages	121,343	132,251	141,381	+ 16.5	100.0	100.0	100.0
Under 5 years	8,904	9,188	8,518	- 4.3	7.3	6.9	6.0
5 to 9 years	7,924	9,415	8,678	+ 9.5	6.5	7.1	6.1
10 to 15 years	10,236	10,745	11,167	+ 9.1	8.4	8.1	7.9
16 years & over	94,279	102,903	113,018	+ 19.9	77.7	77.9	80.0
16 - 19	7,357	6,426	7,707	+ 4.8	6.1	4.9	5.5
20 - 34	31,205	29,068	26,706	- 14.4	25.7	22.0	18.9
35 - 54	27,115	36,202	41,249	+ 52.1	22.3	27.4	29.2
55 - 64	11,834	11,002	15,399	+ 30.1	9.8	8.3	10.9
65 & over	16,768	20,205	21,957	+ 30.9	13.8	15.3	15.5
Median age (years)	32.4	35.6	39.2	+ 21.0	--	--	--
Total, male & female							
Total, all ages	236,416	257,714	275,677	+ 16.6	100.0	100.0	100.0
Under 5 years	18,232	18,823	17,449	- 4.3	7.7	7.3	6.3
5 to 9 years	16,219	19,281	17,772	+ 9.6	6.9	7.5	6.5
10 to 15 years	20,944	21,991	22,865	+ 9.2	8.9	8.5	8.3
16 years & over	181,021	197,619	217,591	+ 20.2	76.5	76.7	78.9
16 - 19	15,009	13,138	15,765	+ 5.0	6.3	5.1	5.7
20 - 34	62,726	58,792	54,122	- 13.7	26.5	22.8	19.6
35 - 54	53,090	71,389	82,018	+ 54.5	22.4	27.7	29.7
55 - 64	22,210	20,793	29,459	+ 32.6	9.4	8.1	10.7
65 & over	27,986	33,507	36,227	+ 29.4	11.8	13.0	13.1
Median age (years)	31.1	34.3	37.6	+ 20.9	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 952 (May 1984)

THE SIZE OF THE POTENTIAL MARKET

The two fastest growing segments of the population between 1984 and 2005 according to projections by the Census Bureau will be the 35 - 54 year olds (+54.5%) and the 55 - 64 year olds (+32.6%). This compares with an expected growth rate for the population over 16 years old of 20.2% during the same period.

With a sizeable portion of the postwar baby boom moving into higher earnings brackets and purchasing more luxury goods, the overall outlook for accessories is bright. The trend towards smaller households and dual-income families is also expected to be a boon to the accessory industry.

Working Women

During 1984, more than 51 million women were employed in the U.S. with 25 million of them working full-time, year round, the greatest number ever. Participation rates for women in the labor force now stand at about 66% compared to a rate for men of about 88%. However, the rate for women has been increasing steadily while that for men has remained stable and thus the gap is narrowing.

According to the Bureau of Labor Statistics, over the next 15 years, the number of men at work will increase 13% while the increase in the number of women will be more than double that rate--27%. Currently there are 18 million more women at work than there were in 1970 and twice the number as in 1960.

The influx of women into the work force is expected to aid the growth of accessories. As women move up in organizations and the "dress for success" mentality becomes more ingrained, sales of accessories will grow. Likewise the income earned by women who work increases household income and thus there is more discretionary income for items such as accessories.

The Bridal Market

In 1983, the number of marriages performed in the United States declined for the first time since 1975. According to reports from the National Center For Health Statistics, there were 2,444,000 marriages, 2% less than in 1982 yet still higher than the total for 1981. Over the first 11 months of 1984, the number of marriages in the U.S. has risen 1.3% above the comparable 1983 period.

The rising number of marriages performed has been a traditional boon for the accessories industry, particularly in the jewelry classification.

THE SIZE OF THE POTENTIAL MARKET

The Bridal Market

Monthly Patterns in Marriages, 1982, 1983, 1984

	Annual Totals (thousands)		
	1984	1983	1982
Total	2,487	2,444	2,495
January	128	132	133
February	164	143	141
March	153	162	164
April	173	185	193
May	230	231	239
June	305	289	290
July	229	228	250
August	265	272	253
September	249	236	237
October	201	195	225
November	194	188	181
December	196	183	188

* Provisional

Source: Based on U.S. Department of Health & Human Services, Monthly Vital Statistics Report, March 1984, March 1985

RETAIL SALES

Due to the various categories which constitute the accessory market and the lack of standard definitions as to what are accessories, there is very little information on the retail market for accessories as a whole.

This Fact File concentrates on specific types of fashion accessories. Other merchandise often included as accessories by retailers are covered in other Fact Files (including the Hosiery/Legwear and Men's Furnishings Fact Files).

It is currently believed that total retail sales of accessories, not including jewelry is about \$9.5 billion. This would put spending for accessories at about 10% of the overall apparel level, a commonly accepted assumption.

According to Retail Merchandising Service Automation's survey of 4,500 retailers, nationwide, retail sales of men's accessories increased 1.9% in 1984. This compares quite favorably with 1.3% increase registered for men's apparel overall.

RETAIL SALES

Retail Performance of Specified Men's Wear Categories, 1984

	<u>Total Retail Sales</u>	<u>Markup*</u>	<u>Markdowns*</u>
Total	+ 1.3%	--	--
Swimwear & bermudas	+ 20.0	49.2%	+ 9.4%
Hats & caps	+ 11.3	50.7	- 32.4
Leather jackets	- 8.8	48.6	- 11.9
Jeans	- 6.0	46.0	- 4.5
Neckwear	+ 7.4	57.8	+ 28.3
Dress shirts	+ 7.0	51.8	- 9.3
Casual slacks	+ 6.5	50.6	- 6.4
Active sportswear	+ 6.3	49.8	+ 41.4
Jackets	+ 4.8	49.1	+ 2.7
Knit shirts	+ 4.2	48.4	+ 33.7
Underwear, pajamas & robes	+ 2.8	51.7	+ 0.7
Sport shirts	+ 2.4	50.5	+ 0.2
Hosiery	+ 2.1	51.5	+ 16.1
Accessories	+ 1.9	51.2	+ 5.5
Outerwear	+ 1.1	47.1	- 4.4
Suits	+ 0.3	49.1	+ 9.1
Sweaters	- 5.0	47.1	- 17.0
Sport coats	- 2.7	49.4	- 3.5
Dress slacks	- 1.5	50.5	+ 1.0

* January - November

Figures were compiled from the sales of about 4,500 retailers, about 1,800 of which carry men's wear only.

Source: Retail Merchandising Service Automation,
Daily News Record (1-28-85)

Personal consumption expenditures for all types of men's & women's jewelry and watches reached \$12.8 billion in 1983, an increase of 6.8% over 1982 and 5.4% above 1981.

Personal Consumption Expenditures for Jewelry & Watches, 1981-1983 (Millions of \$)

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>% Change</u>	
				<u>1983/1982</u>	<u>1983/1981</u>
Jewelry & watches, total	\$12,835	\$12,015	\$12,172	+ 6.8%	+ 5.4%

Source: Department of Commerce,
Office of Business Economics.

RETAIL SALES

By Type of Retail Outlet

The latest official information on retail sales by accessory type is from the 1977 Census of Retail Trade. Results from the 1982 census are expected to be released by the Census Bureau late in 1985. Not all store types broke out sales in detail, but the following information reflects sales in major outlet types. Comparative sales figures for previous years are not available due to changes in merchandise classifications.

Sales of men's accessories reported by leading outlet types amounted to a total of \$1.2 billion in 1977. Department stores accounted for \$704.4 million, or 59.3% of this total.

Reported Sales of Men's Accessories by Store Type, 1977 (Includes only stores with payrolls)

	<u>Stores Reporting Sales</u>		<u>Sales</u>	
	<u>Number*</u>	<u>% of Total</u>	<u>Mil. \$</u>	<u>% of Total</u>
Men's accessories (hats, gloves, belts, wallets, umbrellas, etc.)	36,426	100.0%	\$1,187.0	100.0%
Department stores**	7,244	19.9	704.4	59.3
Men's wear stores	14,696	40.3	307.4	25.9
Family clothing stores	10,246	28.1	135.9	11.5
Other (women's ready-to-wear stores, men's shoe stores & mail order houses)	4,240	11.6	39.3	3.3

* Each business location is separately counted as a store unit, including each unit in a multi-unit organization.

**Includes discount department stores as well as traditional department stores. Sales of catalog order desks within these stores are included in the department store data, but not sales of catalog headquarters operations, which are included in mail order house data.

Percent of Total Men's & Boys' Wear Sales Accounted For By Men's Accessories Sales in Key Store Types, 1977

	<u>Total Men's & Boys' Wear Sales*</u> <u>(Mil. \$)</u>	<u>% of Total Accounted For By</u> <u>Men's Accessories</u>
Department stores**	\$ 10,574.9	6.7%
Men's wear stores	6,275.4	4.9
Family clothing stores	3,001.5	4.5

* Excludes men's & boys' footwear sales

**See footnote for the preceding table

Source for both tables: U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales RC77-L.

RETAIL SALES

By Type of Retail Outlet

As previously mentioned, the 1977 Census of Retail Trade remains the latest available source of information on retail sales of accessories by store type.

In 1977, department stores were the dominant retailers of accessories accounting for 56.1% of handbags and leather goods, 67.6% of hats, hairpieces and trimmings and 54.8% of other accessory items. Women's ready-to-wear stores were in second position in every measured women's accessory category.

It must be noted, however, that the accessory categories summarized below are also sold in other outlet types for which no break out is available.

Reported Sales of Specified Women's Accessories by Store Type, 1977 (Includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number*	% of Total	Mil. \$	% of Total
Women's handbags & small leather (and plastic) goods	46,765	100.0%	\$1,190.5	100.0%
Department stores**	7,727	16.5	667.9	56.1
Women's ready-to-wear stores***	18,311	39.2	234.3	19.7
Family clothing stores	8,972	19.2	96.2	8.1
Shoe stores	8,450	18.1	126.5	10.6
Mail order houses	3,305	7.1	65.6	5.5
Women's accessories (gloves, neckwear, belts, umbrellas, etc.)	40,585	100.0%	977.5	100.0
Department stores**	7,120	17.5	536.0	54.8
Women's ready-to-wear stores***	20,657	50.9	306.4	31.4
Family clothing stores	8,848	21.8	103.0	10.5
Other stores (men's wear stores, shoe stores & children's wear stores)	938	2.3	12.9	1.1
Mail order houses	3,022	7.5	19.2	2.0
Women's hats, trimmings, etc.	12,982	100.0	253.0	100.0
Department stores**	5,557	42.8	171.1	67.6
Women's ready-to-wear stores***	4,524	34.8	40.8	16.1
Millinery stores	256	2.0	20.5	8.1
Family clothing stores	2,299	17.7	14.4	5.7
Mail order houses	346	2.7	6.2	2.5

* and ** See footnotes on table of men's accessories sales.

***Does not include sales in women's accessory and specialty stores (handbag stores, glove stores, etc.) Sales in these stores totaled \$494.5 million in 1977, in 2,937 outlets with payrolls.

RETAIL SALES

By Type of Retail Outlet

Percent of Total Women's & Children's Wear Sales Accounted For By Sales of Specified Accessories in Key Store Types, 1977

	Total Women's & Children's Wear Sales* (Mil. \$)	% Accounted For By:		
		Handbags, Small Leather Goods	Hats, Hair- pieces	Accessories (gloves, belts, etc.)
Department stores**	\$ 16,250.7	0.9%	0.2%	0.7%
Women's ready-to-wear stores***	11,066.5	1.9	0.3	2.5
Family clothing stores	3,471.6	1.2	0.2	1.3

* Excludes women's and children's footwear sales.

** See footnote on table of men's accessories sales, page 33.

***Does not include sales in women's accessory and specialty stores.

Source for preceding two tables: Based on U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales RC77-L.

Men's & women's jewelry sales in 1977 in major store types were reported at \$8.15 billion according to the census of retail trade. In this report, jewelry sales include both precious metal and costume jewelry as well as watches. As previously noted not all store types broke out sales in detail, therefore sales of jewelry in supermarkets and other type stores are not included in the table below.

Reported Sales of Jewelry by Store Type, 1977 (Includes only stores with payrolls)

	Stores Reporting Sales		Sales	
	Number*	% of Total	Mil. \$	% of Total
Jewelry	110,575	100.0%	\$8,150.8	100.0%
Department stores**	8,355	7.6	1,753.9	21.5
Women's wear stores	9,546	8.6	156.2	1.9
General merchandise stores (except variety & department)	7,107	6.4	675.9	8.3
Jewelry stores & miscellaneous stores	27,828	25.2	4,465.0	54.7
All other store types	53,779	48.6	739.3	9.1
Non-store retailers (mail order houses & direct selling)	3,960	3.6	360.5	4.4

** See footnotes on table of men's accessories sales, page 33.

RETAIL SALES

By Type of Retail Outlet

Percent of Total Store Sales Accounted for by Jewelry Sales In Key Store Types, 1977, 1982(p)

	1977		1982(p)	
	Total Store Sales (Mil. \$)	% of Total Accounted For By Jewelry	Total Store Sales (Mil. \$)	% of Total Accounted For By Jewelry
Department stores**	\$76,909.4	2.3%	\$107,082.6	2.1%
Women's wear stores	13,163.8	1.1	20,310.8	na
General merchandise stores (except variety & department stores)	9,597.7	7.0	na	na
Jewelry stores	5,010.5	85.6	8,261.7	87.1

** See footnote on table of men's accessories sales, page 33.

Source for preceding two tables: U.S. Bureau of the Census,
Census of Retail Trade, 1977,
Merchandise Line Sales RC77-L.

Merchandising and operating results in three major store types selling accessories are reported below. Data on the total number of stores in 1982 and their total sales of all merchandise in recent years are also shown.

Trends in Total Sales in Major Apparel Store Types, 1982-1984

	Number of Stores	Sales	
		Mil. \$	% Change From Previous Year
Department stores			
1984	na	129,284	+ 10.9%
1983	na	116,562	+ 8.8
1982	9,767	107,163	+ 3.5
Men's & boys' wear stores			
1984	na	8,432	+ 5.9
1983	na	7,962	+ 3.5
1982	17,102	7,694	- 1.3
Women's ready-to-wear stores			
1984	na	25,759	+ 14.2
1983	na	22,550	+ 11.3
1982	42,419	20,262	+ 8.4

na not available

Source: U.S. Bureau of the Census,
Revised Monthly Retail Sales
BR-13-85

RETAIL OPERATING RATIOS

Department Stores

Six out of the eight accessory categories measured by the National Retail Merchants Association registered double-digit increases in sales in department stores in 1983. Only the small leather goods group and the fine jewelry and watch category did not have such gains climbing 8.0% and 6.0%, respectively.

Fine jewelry and watches marked the highest sales per square foot at \$445 while luggage had the second position with \$429.

Merchandising & Operating Results of Specified Accessories In Department Stores With Total Sales Over \$1 Million, 1983 (Median Results)

	Women's Accessories			
	Fine Jewelry/ Watches (28)#	Costume Jewelry (78)#	Gloves (65)#	Handbags (59)#
Net sales, % change from last year	+ 6.0	+ 16.3	+ 19.5	+ 10.4
Sales, % to total store sales	1.5	1.8	0.7	1.5
Net sales, % of merchandise division***	11.7	15.9	5.1	12.1
\$ sales per square foot of selling space (main or largest selling unit)	\$445.0	\$308.7	\$252.1	\$145.8
Gross margin, % of sales	43.6%	49.8%	49.7%	48.9%
Number of stock turns (times)	1.4	3.0	4.2	3.5

	Women's Accessories		Men's Accessories** (38)#	Luggage (80)#
	Small Leather Goods (55)#	Misc. Apparel Accessories* (84)#		
Net sales, % change from last year	+ 8.0%	+ 11.8%	+ 22.5%	+ 11.9%
Sales, % to total store sales	0.3	0.9	1.5	0.6
Net sales, % of merchandise division***	2.8	6.9	11.2	18.6
\$ sales per square foot of selling space (main or largest selling unit)	\$245.0	\$185.2	\$429.3	\$ 97.0
Gross margin, % of sales	48.3%	50.5%	53.3	43.6
Number of stock turns (times)	3.1	3.1	3.4	1.9

* Women's miscellaneous apparel accessories include neckwear, scarves, handkerchiefs, umbrellas, folded rain accessories and belts.

** Men's accessories include ties, handkerchiefs, jewelry, small leather goods, gloves, mufflers, toiletries & umbrellas

*** For women's accessories, the merchandise division is adult female intimate apparel and accessories; for men's accessories, adult male apparel; for luggage, hobby, recreation & transportation.

Number in parentheses refers to the number of reporting firms in each category.

Source: National Retail Merchants Association
"Merchandising & Operating Results of 1984"

RETAIL OPERATING RATIOS

Women's Specialty Stores

The only measured accessory category to register a decline in women's specialty stores in 1983 was fine jewelry and watches according to the NRMA. Handbags and small leather goods were up 5.9% while gloves rose 10.2% and costume jewelry was up 19.5% compared with an increase of 9.0% for the total upstairs store.

Merchandising & Operating Results of Specified Accessories In Women's Specialty Stores With Total Sales Over \$1 Million, 1983

	Total Upstairs Store (35)**	Women's Accessories				
		Fine Jewelry & Watches (9)**	Handbags & Small Leather Goods (19)**	Gloves (12)**	Misc. Apparel Accessories* (24)**	Costume Jewelry (19)**
Net sales, % change from last year	+ 9.0%	- 7.6%	+ 5.9%	+ 10.2%	+ 19.7%	+ 19.5%
Sales, % to total store sales	100.0	0.9	2.7	1.0	2.4	2.2
Net sales, % of merchandise division#	--	5.4	19.2	5.9	13.4	13.1
\$ sales per square foot of selling space (main or largest selling unit)	\$163.1	nr	\$201.8	\$251.1	\$262.0	\$241.5
Gross margin, % of sales	43.6	43.4	45.0	45.5	49.2	47.8
Number of stock turns (times)	3.1	2.2	3.6	3.6	3.8	2.8

* Women's miscellaneous apparel accessories include neckwear, scarves, handkerchiefs, umbrellas, folded rain accessories and belts.

** Number in parentheses refers to the number of reporting firms in each category.

For women's accessories, the merchandise division is adult female intimate apparel and accessories.

Source: National Retail Merchants Association
"Merchandising & Operating Results of 1984"

Men's Wear Stores

Whole sales in men's wear stores surveyed by the Menswear Retailers Association of America rose 5.5% in 1983, accessory sales moved up only 4.5% from 1982 levels. Men's belts turned in an even poorer performance rising only 2.0% in this store type.

RETAIL OPERATING RATIOS

Men's Wear Stores

Merchandising & Operating Results of Men's Accessories In Men's Wear Stores, 1983

	<u>Total Store</u>	<u>Men's Accessories</u>	<u>Men's Belts</u>
% change in sales from last year (66)*	+ 5.5%	+ 4.5%	+ 2.0%
% to total store sales (92)*	100.0	2.3	0.9
% to total sales in merchandise division** (90)*	--	12.6	5.0
% distribution of average inventory within merchandise division** (38)*	--	16.9	6.1
Number of stock turns (times) 38)*	1.9	1.5	1.7
Markdowns, % of sales (57)*	15.0	6.3	4.2

* Number in parentheses refers to the number of reporting firms in each category.

**Merchandise division for accessories and belts is men's furnishings.

Source: Menswear Retailers of America
1983 Annual Business Survey

RETAIL SALES BY MONTH

In a typical month, sales of women's handbags and small leather goods in department stores account for 4.1% of women's apparel and accessories sales. Three of the four specified accessory items hit their sales peak, as a percentage of total departmental sales, in December--handbags and small leather goods (5.9%), women's and children's gloves (3.6%) and women's and misses' neckwear and scarves (3.6%). The exception is millinery, which accounts for its highest portion of apparel and accessory sales in March (3.7%).

Percent of Total Women's Apparel & Accessories Sales in Department Stores Accounted For by Specified Accessories, by Month

	<u>Handbags & Small Leather Goods</u>	<u>Millinery</u>	<u>Women's & Children's Gloves</u>	<u>Women's & Misses' Neckwear & Scarves</u>
January	3.0%	2.0%	1.9%	2.2%
February	3.6	2.4	1.6	2.6
March	3.8	3.7	1.8	2.4
April	4.0	3.2	1.8	2.6
May	4.5	1.8	1.4	2.7
June	4.1	1.5	1.1	3.0
July	3.6	1.4	0.9	2.7
August	3.2	1.9	1.0	2.3
September	4.0	3.0	1.5	2.6
October	3.8	2.9	2.4	2.9
November	4.3	2.3	2.8	2.8
December	5.9	1.5	3.6	3.6
5 year average	4.1	2.2	2.0	2.8

Source: Newspaper Advertising Bureau, based on Federal Reserve Board data (1961-1965), latest available figures.

RETAIL ADVERTISING

Percent of 1983 Newspaper Advertising Linage of Specified Accessories Used Each Month

	<u>Fine Jewelry</u>	<u>Handbags</u>	<u>Luggage</u>
Total lineage	100.0%	100.0%	100.0%
January	4.2	4.5	4.4
February	6.9	6.1	5.3
March	6.0	9.8	6.3
April	7.7	8.1	5.5
May	11.5	11.4	20.4
June	7.4	3.6	10.4
July	4.0	5.4	4.2
August	6.3	8.4	8.1
September	6.3	8.7	5.6
October	8.0	9.8	5.5
November	13.4	11.8	11.6
December	18.3	12.4	12.7

Source: The Advertising Checking Bureau, Inc.
Neustadt Reports Div., covering retail
newspapers in seven cities - Chicago,
Philadelphia, Cincinnati, Dallas, Cleveland,
Los Angeles & Washington.

CONSUMER BUYING HABITS

The following tables on specified accessories items have been supplied by the NPD Textile and Apparel Market Index, a specialized service of NPD Research, Inc. They are based on the findings from an ongoing monthly panel diary tracking the purchases of 6,500 nationally representative families.

Purchases of Specified Men's Accessories by Store Type (Percentages of units sold)

	<u>Belts</u>		<u>Wallets</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
Department Stores	28.5%	30.2%	34.7%	37.2%
Discounters	24.5	21.2	20.1	18.5
Specialty stores	20.5	20.7	3.2	13.7
Mass merchandisers (Sears, Penney, Ward)	13.7	17.5	25.1	10.5
Mail order	2.4	1.1	2.9	5.4
All other	10.4	9.2	14.1	14.8

CONSUMER BUYING HABITS

Purchases of Specified Men's Accessories by Price Point (Percentages of units sold)

	Belts		Wallets	
	1983	1982	1983	1982
Less than \$3.00	6.3%	11.1%	4.9%	5.5%
\$3.00 - \$4.99	12.0	14.8	11.8	8.7
\$5.00 - \$6.99	20.5	21.3	17.7	13.7
\$7.00 - \$8.99	16.5	11.5	17.7	21.3
\$9.00 - \$10.99	13.8	11.7	15.4	21.2
\$11.00 - \$12.99	12.9	11.7	10.1	8.8
\$13.00 - \$14.99	6.0	5.9	3.7	6.3
\$15.00 - \$19.99	8.1	7.6	13.5	10.7
\$20.00 - \$24.99	2.2	3.3	3.3	4.0
\$25.00 or more	1.7	1.1	1.9	--

Source: NPD Research

In May 1984, 999 teenage girls, members of Seventeen Magazine's 2,000 member Consumer Panel, which represents a cross-section of teens nationwide, answered the magazines Spring Apparel Study on the apparel and accessory items they purchased during the preceding year. This information was then projected to the entire female teenage market to get estimates of the total amount spent on accessories, the number purchased and the number purchasing them.

The survey revealed that in 1983, teenage girls spent a total of \$13.2 billion for their wardrobes of which accessories accounted for a total of \$1.5 billion.

Purchases of Specified Accessories by Teenage Girls

	Number Purchasing (000)	Number Purchased (000)	Total Expenditures (000)
<u>Jewelry</u>			
Necklaces	11,481	17,337	\$ 165,222
Pins	6,269	10,783	75,697
Earrings	3,573	15,646	156,147
Bracelets	3,573	7,469	77,304
Watches	2,343	2,788	184,761
<u>Belts</u>			
Leather	5,661	10,700	143,808
Suede	102	115	1,738
Other	7,347	13,590	87,112

(continued)

CONSUMER BUYING HABITS

Purchases of Specified Accessories by Teenage Girls (continued)

	<u>Number Purchasing (000)</u>	<u>Number Purchased (000)</u>	<u>Total Expenditures (000)</u>
<u>Scarves</u>			
Cotton	1,712	2,911	\$ 20,348
Silk	1,101	1,619	18,813
Woven	448	599	4,798
Knit	257	380	2,181
<u>Gloves</u>			
Knit	1,805	2,040	18,360
Leather	269	312	5,756
<u>Hats</u>			
Knit	1,088	1,654	24,376
Felt	395	395	19,005
Handbags	7,995	16,392	275,058
Wallets/billfolds/keycases	2,982	5,011	62,938
Sunglasses	5,405	7,241	130,628
Umbrellas	1,514	2,210	24,376
Total girls buying accessories	12,273	119,192	1,478,802

Source: Seventeen Magazine,
1984 Spring Apparel Study

Luggage

In 1984, Leo J. Shapiro Associates conducted a survey for Travelware magazine to determine consumers luggage buying attitudes and intentions, and followed a similar survey conducted by the same organization two years earlier.

In the most recent study, it was found that 10% of the households polled had purchased luggage in the previous twelve months while another 3% stated they intended to purchase in the next twelve months.

Outlet Where Luggage Was Bought

	<u>Apr. '83--Apr. '84</u>	<u>Apr. '81--Apr. '83</u>
Discount department store	10.3%	21.5%
Mass merchandiser	28.3	20.1
Department stores	16.6	31.0
Catalog showroom	13.1	6.9
Specialty store	19.3	9.1
Other	12.4	11.4

(continued)

CONSUMER BUYING HABITS

Luggage

Reason for Selecting Outlet Type (Apr. '84--Apr. '85)

	<u>Percent</u>
Price/Discount	30.5%
Quality	10.1
Selection	8.9
Location/convenience	8.4
Have account/credit	7.4
Past experience	6.3
Other	2.7
No answer	25.7

Price Paid/Expected to Pay

	<u>Apr. '84--Apr. '85</u>	<u>Apr. '82--Apr. '83</u>
\$ 19 - \$ 35	6.6%	7.3%
\$ 36 - \$ 50	9.7	10.5
\$ 51 - \$ 99	13.7	13.1
\$100 - \$149	11.7	15.5
\$150 - \$199	11.4	4.8
\$200 - \$299	7.6	8.1
\$300 - \$399	7.8	6.4
\$400 - \$499	2.3	2.7
\$500 - \$699	3.2	0.3
\$700 & over	1.3	1.1
No Answer	24.7	30.2

Source: Travelware Magazine,
November, 1984

SCHEDULE OF ADDITIONAL FACT FILES

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans. (August)

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now -- 1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES (Including Selected Major Apparel Specialty Stores and National/Regional Chains): Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying head-quarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1984 Edition available now -- 1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FOOTWEAR (MEN'S, WOMEN'S, BOYS' AND GIRLS'): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics. (1984 Edition available now -- 1985 Edition will be available in September)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season. (July)

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES (Including a new Consumer Buying Intention Survey): Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (October)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., the size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet. (May)

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR (Including Tailored Casual Wear): Manufacturer level profiled by production, value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations of large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Covers developments in brand name merchandising, store labels, designer labels, and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and in physical fitness. (A Fact File Special Edition)

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on the findings in the 1982 Census of Retail Trade issued by the U.S. Census Bureau in 1985. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, geographical changes, etc. (A Fact File Special Edition) (December)

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, concentration of sales by mill/manufacturer size, production and shipments by U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (June)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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**Market Research Division
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**Men's Furnishings
and Work Wear**

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Prepared by
Market Research Division
Audrey S. Balchen, Director
Gregory Becker, Research Analyst

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MEN'S FURNISHINGS

Market Trends

The gains registered by men's furnishings in 1984 are expected to continue well into 1985, according to industry analysts. The impulse among consumers to wear more traditional outfits, a trend which started in the recessionary period of the early 1980's, is still alive in 1985 and is aiding the sales of furnishings. Furnishings have always been perceived by consumers as a less expensive method of updating wardrobes, without having to purchase new suits or jackets. As the "baby boom" generation has grown up in a period of high inflation and recessions, budgeting has become a way of life and purchases of furnishings rather than suits and sports jackets has become a standard.

Color, styling and quality remain the three largest considerations among purchasers of men's furnishings. Men's dress shirts with contrasting-color collars are an example of the new color trends in the furnishings market. Likewise, fashion underwear in multitudes of colors became one of the best furnishings sellers in 1984, according to industry sources.

Imports of furnishings flooded into the United States in 1984 due to the strong dollar which made imported goods relatively cheaper, as well as the booming domestic market for most furnishings categories. The major advantage that domestic manufacturers now possess is their ability to adapt more quickly to the constantly changing trends in the furnishings market.

The term "furnishings" covers a very diversified group of products, ranging from neckwear to underwear. These products are treated in multi-industry data available from government sources in a manner which does not yield composite information. Nor perhaps, would that be meaningful because of the varying trends within segments of the product group. However, wherever possible in the following tables men's furnishings data has been extracted from broader-based industry reports.

Information on sports shirts is included in the Fact File only where data is combined with dress shirts. (For sport shirt data, see the Men's Sportswear, Casual Wear Fact File). Hosiery information is covered in the Hosiery/Legwear Fact File. Accessory items, such as jewelry and small leather goods, which are often included in retail data covering men's furnishings departments, are not covered in detail in this report but are covered in the Fashion Accessories Fact File.

Industry data as reported by the Department of Commerce and shown in the following tables include manufacturers of furnishings for both men and boys. Separate figures are available, however, on a product basis for the most part, and these are covered for men's items in this report, with boys' items included in the Fact File on boys' and girls' wear.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. is compiled by the U.S. Census Bureau every five years in years ending in "2" and "7". The most recent year covered is 1982. The data from the 1982 census is summarized on the table below and are compared with findings from the 1977 Census of Manufactures.

GENERAL INDUSTRY STATISTICS

For a selected group of major industry classifications, including in the furnishings area, Men's & Boys' Shirts & Nightwear (SIC 2321), the International Trade Association, U.S. Department of Commerce has published estimates on manufacturing activity for 1983 and 1984 (1985 U.S. Industrial Outlook), as noted in the following table. According to this source, the value of shipments in the shirts & nightwear industry declined at a compound annual rate of -1.0% in constant (1972) dollar terms, between 1972 and 1982.

Shirts & Nightwear (SIC 2321*)

	1984(e)	1983(e)	1982	1977
Number of companies	na	na	535	669
Number of establishments, total	na	na	741	928
Number with 20 or more employees	na	na	560	679
Employees, total (thous.)	97.8	89.8	88.7	114.7
Production workers (thous.)	84.7	77.2	76.0	103.0
Payroll (mil. \$)	na	na	\$ 819.0	\$ 711.3
Value added by manufacture# (mil.\$)	na	na	1,785.5	1,445.7
Value of industry shipments## (mil.\$)	\$3,645.0	\$3,535.0	3,477.7	2,934.6
Capital expenditures, new (mil.\$)	na	na	37.2	25.9

Underwear (SIC 2322*)

	1982	1977	% Change 1982/1977
Number of companies	61	56	+ 8.9%
Number of establishments, total	77	76	+ 1.3
Number with 20 or more employees	51	59	- 13.6
Employees, total (thous.)	11.0	15.1	- 27.2
Production workers (thous.)	10.0	13.7	- 27.0
Payroll (mil.\$)	\$ 99.1	\$ 92.2	+ 7.5
Value added by manufacture# (mil.\$)	210.2	218.2	- 3.7
Value of industry shipments## (mil.\$)	429.4	419.8	+ 2.3
Capital expenditures, new (mil.\$)	3.3	2.6	+ 26.9

Knit Underwear Mills (SIC 2254*)

	1982	1977	% Change 1982/1977
Number of companies	72	80	- 10.0%
Number of establishments, total	84	92	- 8.7
Number with 20 or more employees	61	74	- 17.6
Employees, total (thous.)	22.3	25.2	- 11.5
Production workers (thous.)	20.0	23.4	- 14.5
Payroll (mil.\$)	\$232.3	\$175.2	+ 32.6
Value added by manufacture# (mil.\$)	446.2	305.7	+ 46.0
Value of industry shipments## (mil.\$)	829.9	648.9	+ 27.9
Capital expenditures, new (mil.\$)	9.3	14.5	- 35.9

(continued)

GENERAL INDUSTRY STATISTICS

Neckwear (SIC 2323*)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	165	198	- 16.7%
Number of establishments, total	170	207	- 17.9
Number with 20 or more employees	91	81	+ 12.3
Employees, total (thous.)	6.7	6.3	+ 6.3
Production workers (thous.)	5.3	5.1	+ 3.9
Payroll (mil.\$)	\$ 83.0	\$ 57.5	+ 44.3
Value added by manufacture# (mil.\$)	184.5	117.5	+ 57.0
Value of industry shipments## (mil.\$)	335.0	223.8	+ 49.7
Capital expenditures, new (mil.\$)	4.9	2.6	+ 88.5

Hats & Caps (SIC 2352*)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	285	230	+ 23.9%
Number of establishments, total	314	258	+ 21.7
Number with 20 or more employees	136	122	+ 11.5
Employees, total (thous.)	13.2	12.4	+ 6.5
Production workers (thous.)	11.8	11.1	+ 6.3
Payroll (mil.\$)	\$132.2	\$ 85.1	+ 55.3
Value added by manufacture# (mil.\$)	244.7	152.7	+ 60.2
Value of industry shipments## (mil.\$)	432.4	284.8	+ 51.8
Capital expenditures, new (mil.\$)	7.7	3.9	+ 97.4

Hosiery (SIC 2252*)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	376	382	- 1.6%
Number of establishments, total	420	415	+ 1.2
Number with 20 or more employees	263	257	+ 2.3
Employees, total (thous.)	32.6	32.2	+ 1.2
Production workers (thous.)	28.8	29.0	- 0.7
Payroll (mil.\$)	\$ 326.5	\$218.7	+ 49.3
Value added by manufacture# (mil.\$)	617.3	401.5	+ 53.7
Value of industry shipments## (mil.\$)	1,443.4	921.3	+ 56.7
Capital expenditures, new (mil.\$)	31.4	14.8	+112.2

na not available

(e) estimated

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

SIC 2321 comprises establishments primarily engaged in manufacturing men's, youths' and boys' shirts, collars and nightwear from purchased woven or knit fabric (cut-and-sewed). Also includes manufactures of knit outerwear sports shirts from purchased knit fabric. Does not include work shirt manufacturers. For 1977 the 928 establishments (plants) in this industry included 469 manufacturers, 108 jobbers, 192 independent contractors and 159 multiplant company contractors.

(continued)

GENERAL INDUSTRY STATISTICS

(footnotes continued)

SIC 2322 includes establishments primarily engaged in manufacturing men's, youths', boys' underwear cut and sewed from purchased woven or knit fabric.

SIC 2254 includes establishments primarily engaged in knitting underwear and nightwear from yarn, or in making them from knit fabric produced in the same mill.

SIC 2323 comprises establishments primarily engaged in manufacturing men's, youths' and boys' neckties, scarfs and mufflers cut and sewed from purchased woven or knit fabric.

SIC 2352 includes establishments primarily engaged in manufacturing hats, caps and hat bodies. Millinery is not included.

SIC 2252 includes mills primarily making men's and boys' hosiery. It includes mills engaged in knitting, dyeing or finishing hosiery except women's hosiery. In addition to men's and boys' hosiery, the industry makes anklets for women and children, slipper socks, etc.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for more purposes the best value of measure of individual industries.

Value of industry includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made in these industries. The value of the primary product alone (men's furnishings) of these industries, plus the value of these products produced by manufacturers classified in other industries, identified as "product shipments," are shown on pages 14 and 15. It should be noted that the value data are in current dollars, and inflation accounts for a significant share of reported increases compared with 1977 values.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982

International Trade Association
1985 U.S. Industrial Outlook.

Employment & Earnings

Between October 1983 and 1984, the only measured category of men's accessories to record an increase in total employment was shirts and nightwear, which had a gain of 2.3% during the period. Likewise, the only furnishings group to measure a gain in production worker employment was the shirts and nightwear group. Average weekly hours and average overtime hours decreased in all three measured furnishings categories.

It should be noted that the Bureau of Labor Statistics uses a different methodology in compiling employment data than used by the Census Bureau, and thus the figures of these two sources are not directly comparable.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment & Earnings Among Furnishings Manufacturers (Includes Producers of Both Men's & Boys')

Industry	Monthly Averages		% Change Oct. 1984/1983	Annual Averages		% Change 1983/82
	Oct. 1984(p)	Oct. 1983		1983	1982	
Shirts & nightwear (SIC 2321*)						
All employees (thous.)	99.9	97.7	+ 2.3%	93.4	92.3	+ 1.2%
Production workers (thous.)	86.6	84.0	+ 3.1	80.4	79.1	+ 1.6
Avg. weekly earnings	\$176.29	\$176.70	- 0.2	\$173.85	\$163.33	+ 6.4
Avg. hourly earnings	\$ 4.87	\$ 4.75	+ 2.5	\$ 4.75	\$ 4.64	+ 2.4
Avg. weekly hours	36.2	37.2	- 2.7	36.6	35.2	+ 4.0
Avg. overtime hours	0.9	1.3	-30.8	1.1	1.0	+10.0
Hosiery (SIC 2252*)						
All employees (thous.)	34.6	35.6	- 2.8	34.6	32.4	+ 6.8
Production workers (thous.)	30.9	32.1	- 3.7	31.3	29.3	+ 6.9
Avg. weekly earnings	\$209.62	\$206.12	+ 1.7	\$207.04	\$185.44	+11.6
Avg. hourly earnings	\$ 5.41	\$ 5.65	- 4.2	\$ 5.42	\$ 5.18	+ 4.6
Avg. weekly hours	37.1	38.1	- 2.6	38.2	35.8	+ 6.7
Avg. overtime hours	1.7	2.1	-19.0	2.3	1.5	+53.3
Knit underwear mills (SIC 2254*)						
All employees (thous.)	30.3	31.0	- 2.3	30.1	28.7	+ 4.9
Production workers (thous.)	26.1	26.4	- 1.1	25.6	24.2	+ 5.8
Avg. weekly earnings	\$200.55	\$204.06	- 1.7	\$199.50	\$177.33	+12.5
Avg. hourly earnings	\$ 5.54	\$ 5.37	+ 3.1	\$ 5.32	\$ 5.17	+ 2.9
Avg. weekly hours	36.2	38.0	- 4.7	37.5	34.3	+ 9.3
Avg. overtime hours	1.1	1.7	-35.2	1.6	0.9	+77.8

* For definition of SIC code, see pages 3 and 4.

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings

Concentration in the Industry

Although manufacturers in the men's furnishings industry tend to be small operations, it is the larger plants (those with 100 or more employees) which account for the lion's share of shipments. According to Sales and Marketing Management magazine, plants with 100 or more employees accounted for 94% of industry shipments in the underwear segment in 1984. Plants of this same size accounted for 90% of shirt & nightwear shipments as well as 77% of hosiery shipments in the same year.

Data on the number of plants by employment size for 1982 are available from the U.S. Department of Commerce as summarized below. Information on a company basis for 1982 will be issued by the Census Bureau in coming months, based on the complete census of manufactures.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

Furnishings Manufacturing Establishments By Employment Class Size, 1982

	<u>Shirts & Nightwear</u> (SIC 2321*)	<u>Underwear Cut & Sewn</u> (SIC 2322*)	<u>Knit Underwear Mills</u> (SIC 2254*)
Total establishments	689	68	84
Number of employees:			
Under 10 employees	79	10	13
10 - 49 employees	175	15	13
50 - 99 employees	114	12	18
100 - 499 employees	300	25	28
500 or more employees	21	6	12

	<u>Neckwear</u> (SIC 2323*)	<u>Hats & Caps</u> (SIC 2352*)	<u>Hosiery</u> (SIC 2252*)
Total establishments	167	269	393
Number of employees:			
Under 10 employees	51	81	77
10 - 49 employees	74	112	157
50 - 99 employees	28	39	58
100 - 499 employees	13	35	96
500 or more employees	1	2	5

* For definition of SIC code, see pages 3 and 4.

Source: U.S. Bureau of Commerce,
County Business Patterns, 1982.

Employment & Share of Industry Shipments in Large Furnishings Manufacturing Plants, 1984

	<u>Number of Plants</u>		<u>% of Industry Shipments</u>
	<u>With 20+ Employees</u>	<u>With 100+ Employees</u>	<u>Accounted for by Plants With 100 or more Employees</u>
Shirts & nightwear (SIC 2321*)	577	362	90%
Underwear, cut-&-sewn (SIC 2322*)	71	51	94
Knit underwear mills (SIC 2254*)	87	58	95
Neckwear (SIC 2323*)	114	24	52
Hats & caps (2352*)	165	52	64
Hosiery (SIC 2252*)	265	102	78

* For definition of SIC codes see pages 3 and 4.

Source: Sales and Marketing Management,
"Survey of Industrial Purchasing Power",
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GENERAL INDUSTRY STATISTICS

Location of the Industry

Data from the 1982 Census of Manufactures covering information on manufacturing operations by state is currently available from the Census Bureau. According to the results, New York remained the leader in three out of the six categories which make up the furnishings industry, as far as value of shipments. Georgia, Pennsylvania and North Carolina were the leaders in the remaining three.

Detailed statistics are summarized below.

Leading Manufacturing States in Furnishings Production, 1982

	<u>No. of Establishments</u>		<u>Value of</u>
		<u>With 20+</u>	<u>Shipments</u>
	<u>Total</u>	<u>Employees</u>	<u>(Mil. \$)</u>
Shirts & nightwear (SIC 2321*)			
Leading states:			
New York	108	49	\$ 548.7
California	91	51	107.8
North Carolina	87	80	497.2
Pennsylvania	54	47	243.7
Alabama	47	46	376.9
Florida	47	27	56.0
Tennessee	45	41	264.7
Georgia	43	40	367.9
U.S. total	741	560	3,477.7
Leading states, total	522	381	2,462.9
Percent of U.S. total	70.4%	68.0%	70.8%
Underwear, cut-&-sewn (SIC 2322*)			
Leading states:			
New York	12	3	(D)
Georgia	11	10	48.5
Pennsylvania	9	6	(D)
Kentucky	5	4	(D)
South Carolina	4	4	35.0
Tennessee	4	4	(D)
U.S. total	77	51	429.4
Leading states, total	45	31	na
Percent of U.S. total	58.4%	60.8%	na
Knit underwear mills (SIC 2254*)			
Leading states: *			
Pennsylvania	26	21	151.9
New York	15	8	62.4
North Carolina	14	12	210.9
Georgia	5	4	46.0
U.S. total	84	61	829.9
Leading states, total	60	45	471.2
Percent of U.S. total	71.4%	73.8%	56.8%

(continued)

GENERAL INDUSTRY STATISTICS

Location of the Industry

Leading Manufacturing States in Furnishings Production, 1982 (continued)

	<u>No. of Establishments</u>		<u>Value of</u>
	<u>Total</u>	<u>With 20+ Employees</u>	<u>Shipments</u> (Mil. \$)
Neckwear (SIC 2323*)			
Leading states:			
New York	77	38	\$ 121.1
California	17	8	46.7
North Carolina	11	8	31.7
Louisiana	3	2	(D)
U.S. total	170	91	335.0
Leading states, total	108	56	na
Percent of U.S. total	63.5%	61.5%	na
Hats & Caps (SIC 2352*)			
Leading states:			
New York	87	29	\$ 69.7
California	23	7	20.4
Texas	22	12	(D)
Pennsylvania	23	7	33.8
Kentucky	7	6	25.5
Virginia	6	4	(D)
U.S. total	314	136	432.4
Leading states, total	168	66	na
Percent of U.S. total	53.5%	48.5%	na
Hosiery (SIC 2252*)			
Leading states:			
North Carolina	274	171	\$ 869.6
Alabama	41	24	91.4
Tennessee	33	25	174.5
Georgia	19	12	88.8
U.S. total	420	263	1,411.3
Leading states, total	367	232	1,224.3
Percent of U.S. total	87.4%	88.2%	86.7%

* For definition of SIC code see pages 3 and 4.

(D) Data withheld by the Census Bureau to avoid disclosing figures for individual firms.

na not available

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series.

PRODUCTION

Annual data on production of major types of men's furnishings, based on a survey of known manufacturers and jobbers (except the very small), is reported in the Current Industrial Reports issued by the U.S. Bureau of the Census. According to the Bureau, domestic production of men's accessories increased in seven of the 11 measured categories in 1983, despite the continuing influx of imports into the market which accelerated, however, in 1984.

The largest increase in production was registered by the supporter-type, knit briefs category which registered an increase of 24.0% in unit shipments in 1983 reaching a total of 30 million dozen. The only group to record a decline of more than 10% in production in 1983 was 1/4-sleeve undershirts whose total declined 14.2% to 12 million dozen.

As with all other areas of apparel, suppliers engaged from outside the firm to furnish some or all components at various stages of the manufacturing process is becoming a watch-word for the furnishings industry. Many firms in the industry now take advantage of "807" operations which allows domestic firms to ship pre-cut parts of a garment to foreign countries with lower labor costs for assembly; then reimport them, paying duty only on the value added to the cut pieces and labeling them as domestically produced. Manufacturers involved in these operations are able to take advantage of both the higher level of technology available in the U.S. for cutting operations and the lower labor costs afforded by overseas assembly.

Summary of Production of Reported Furnishings, 1982, 1983 (Men's only, except where noted)

	<u>Thous. Dozen</u>		<u>% Change</u>
	<u>1983</u>	<u>1982</u>	<u>1983/1982</u>
Dress & business shirts, incl. uniforms	7,443	7,484	- 0.5%
Pajamas & other nightwear	1,283	1,333	- 3.8
Robes (men's & boys')	801	747	+ 7.2
Lightweight undershirts with 1/4 sleeve, excl. T-shirts made for outerwear	12,121	14,125	- 14.2
Sleeveless type athletic undershirts (men's & boys')	2,896	2,779	+ 4.2
Thermal underwear tops (men's & boys')	1,798	1,841	- 2.3
Thermal underwear bottoms (men's & boys')	1,930	1,777	+ 8.6
Thermal one-piece underwear (men's & boys')	98	93	+ 5.4
Boxer shorts	4,608	4,394	+ 4.9
Supporter-type, knit briefs	29,959	24,170	+ 24.0
Hosiery, size ten & up	66,479	62,002	+ 7.2

na not available

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23-E(83)-1,
Underwear & Nightwear, MA23G(83)-1.

PRODUCTION

Production of Reported Types of Men's Furnishings, By Type of Fabric & Construction, 1983, 1982

	<u>Thous. Doz.</u>		<u>% Change</u>
	<u>1983</u>	<u>1982(r)</u>	<u>1983/1982</u>
Men's dress & business shirts, incl. uniform, total	7,443	7,484	- 0.5%
By fabric:			
All cotton & chiefly cotton	1,791	1,350	+ 32.7
All man-made & chiefly man-made	5,388	5,809	- 7.2
All other fabric	7	8	- 12.5
Fabric, n.s.k.	257	317	- 18.9
By construction:			
Woven fabric	6,604	6,491	+ 1.7
Knit fabric	397	544	- 27.0
Construction, n.s.k.	422	449	- 6.0
Uniform shirts	955	1,065	- 10.3
Men's pajamas & other nightwear, excl. robes, total	1,283	1,333	- 3.8
By construction:			
Woven fabric	901	917	- 1.7
Knit fabric	160	196	- 18.4
Construction, n.s.k.	222	220	+ 0.9
By fabric:			
All cotton & chiefly cotton	778	833	- 6.6
All man-made & chiefly man-made }	278	277	+ 0.4
All other fabric			
Fabric, n.s.k.	227	223	+ 1.8
Men's & boys' robes, total	801	747	+ 7.2
By construction:			
Woven fabric	308	257	+ 19.8
Knit fabric	421	415	+ 1.4
Construction, n.s.k.	72	75	- 4.0
By fabric:			
All cotton & chiefly cotton	168	154	+ 9.1
All man-made & chiefly man-made }	561	517	+ 8.5
All other fabric			
Fabric, n.s.k.	72	76	- 5.3
Knit underwear			
Men's lightweight undershirts with 1/4 sleeve, excl. T-shirts made for outerwear, total	12,121	14,125	- 14.2
By fabric:			
Cotton/polyester blended fabric	3,578	4,614	- 22.5
All cotton & all other cotton blends	8,438	9,274	- 9.0
All other fabric }			
Fabric, n.s.k. }	105	240	- 56.3

(continued)

PRODUCTION

Production of Reported Types of Men's Furnishings, By Type of Fabric & Construction, 1983, 1982 (continued)

	<u>Thous. Doz.</u>		<u>% Change</u>
	<u>1983</u>	<u>1982(r)</u>	<u>1983/1982</u>
Men's & boys' sleeveless athletic type undershirts, total	2,896	2,779	+ 4.2
By fabric:			
Cotton/polyester blended fabric	767	713	+ 7.6
All cotton & all other cotton blends	2,117	2,052	+ 3.2
All other fabric {			
Fabric, n.s.k. }	12	14	- 14.3
Men's & boys' thermal underwear, incl. winter weight, total	3,826	3,711	+ 3.1
Tops, total	1,798	1,841	- 2.3
By fabric:			
Cotton/polyester blend	1,119	1,193	- 6.2
All cotton & other cotton blends	562	561	+ 0.2
All other fabric {			
Fabric, n.s.k. }	117	87	+ 34.5
Bottoms, total	1,930	1,777	+ 8.6
By fabric:			
Cotton/polyester blend	1,085	958	+ 13.3
All cotton & other cotton blends	658	684	- 3.8
All other fabric {			
Fabric, n.s.k. }	187	135	+ 38.5
One-piece (union-suits), total	98	93	+ 5.4
By fabric:			
Cotton/polyester blend	35	46	- 23.9
All cotton & all other cotton blends {			
All other fabric }	63	47	+ 34.0
Shorts & briefs, knit			
Men's supporter-type, total	29,959	24,170	+ 24.0
Cotton/polyester blend	8,244	8,053	+ 2.4
All-cotton & all other cotton blends	21,061	15,328	+ 37.4
All other fabric	654	789	- 17.1
Boxer shorts, men's, woven	4,608	4,394	+ 4.9
Cotton/polyester blend	4,161	4,156	+ 0.1
All-cotton & all other cotton blends {			
All other fabric }	447	238	+ 87.8

(r) revised n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA-23E & MA23G(83)-1
(Issued July 1984).

PRODUCTION

Production of Reported Types of Men's Hosiery by Type of Fabric & Construction, 1982, 1983

	<u>Thous. Dozen</u>		<u>% Change</u>
	<u>1983</u>	<u>1982</u>	<u>1983/1982</u>
Men's hosiery, size 10 & up, total (thous. pairs)	66,479	62,002	+ 7.2%
Footsocks	471	352	+ 33.8
Anklets	26,721	26,723	--
Mid-calf/crew	17,746	17,274	+ 2.7
Knee-highs	21,541	17,653	+ 22.0

Source: National Association of Hosiery Manufacturers,
1983 Hosiery Statistics.

Materials Consumed in Production

Value of Materials Consumed in the Production of Specified Men's Furnishings, 1977, 1982

(Delivered cost; millions of current \$)

	<u>1982</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Shirts & nightwear (SIC 2321*), total	\$1,182.8	\$1,107.9	+ 6.8%
Broad woven fabrics	413.6	400.7	+ 3.2
Purchased knitted fabrics	452.6	365.8	+ 23.7
All other materials, containers & supplies	316.6	341.4	- 7.3
Underwear (cut-&-sewn) (SIC 2322*), total	177.5	182.3	- 2.6
Broad woven fabrics	30.3	30.3	--
Purchased knitted fabrics	118.7	112.4	+ 5.6
All other materials, containers & supplies	28.5	39.6	- 28.0
Knit underwear mills (SIC 2254*), total	329.9	325.8	+ 1.3
Purchased knitted fabrics	5.3	7.5	- 29.3
Carded cotton yarns	83.8	94.5	- 11.3
Combed cotton yarns	35.9	40.7	- 11.8
Man-made fiber yarns, filament & spun	57.4	34.4	+ 66.9
All other yarns	28.8	25.7	+ 12.1
All other materials, containers & supplies	118.7	123.0	- 3.5
Neckwear (SIC 2323*), total	127.7	93.4	+ 36.7
Broad woven fabrics	61.8	49.5	+ 24.8
Purchased knitted fabrics	6.3	1.8	+250.0
All other materials, containers & supplies	59.6	42.1	+ 41.6

(continued)

PRODUCTION

Materials Consumed in Production

Value of Materials Consumed in the Production of Specified Men's Furnishings, 1977, 1982

(Delivered cost; millions of current \$)
(continued)

	1982	1977	% Change 1982/1977
Hosiery (SIC 2252*), total	\$ 734.5	\$ 478.1	+ 53.6%
Hosiery in the grieve	204.9	134.8	+ 52.0
Cotton yarns	78.4	53.1	+ 47.6
Nylon spun yarns	26.6	28.7	- 7.3
Acrylic yarns	146.2	71.7	+103.9
Nylon filament yarns	68.4	42.6	+ 60.6
Spandex filament yarns	10.7	4.8	+122.9
All other yarns	56.3	29.7	+ 89.6
All other materials, containers & supplies	143.0	112.7	+ 26.9

*For a definition of SIC code, see pages 3 and 4.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Industry Series.

Seasonality in Production

Percent of Men's Dress & Business Shirt Cuttings by Month, 1983, 1984

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1984	100.0%	8.0%	9.2%	8.7%	8.2%	9.0%	9.1%	5.5%	8.4%	8.6%	9.5%	9.2%	6.6%
1983	100.0	7.8	8.3	9.7	8.1	8.5	9.1	4.8	9.1	9.6	8.5	8.6	7.8

Source: Based on U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(81)-1

SHIPMENTS

According to data from the 1982 Census of Manufactures, the only furnishings category to register a decline in shipments between 1977 and 1982 was men's and boys' dress and sport shirts (-11.0%). Every other measured category registered gains in the period ranging from 1.1% for unspecified hosiery to a high of 180.9% for men's and boys' underwear made from purchased materials, on a current dollar basis, not adjusted for inflation.

According to the International Trade Administration, U.S. Department of Commerce, the total value of product shipments of men's and boys' shirts and nightwear (including sport shirts) increased 13.1% between 1982 and 1984. In constant (1972) dollar terms, this increase was a still impressive 15.0%.

SHIPMENTS

Value of Shipments by All U.S. Producers Of Specified Categories of Men's & Boys' Furnishing 1977, 1982 (current dollars)

	Millions of \$		% Change
	1982	1977	1982/1977
Men's & boys' shirts (incl. sport shirts) & nightwear	\$3,964.4	\$2,836.5	+ 39.8%
Men's & boys' knit outerwear sport shirts	1,928.4	na	--
Men's & boys' dress & sport shirts	1,227.4	1,379.1	- 11.0
Men's & boys' nightwear	167.0	na	--
Contract work on men's & boys' shirts & nightwear	474.5	372.6	+ 27.3
Shirts & nightwear, n.s.k.	167.1	157.5	+ 6.1
Men's & boys' underwear (made from purchased materials)	983.2	350.0	+180.9
Men's, youths' & boys' neckwear	310.4	211.3	+ 46.9
Hats & caps, except millinery	416.8	270.5	+ 54.1
Hats & hat bodies, exc. cloth & millinery	83.2	66.4	+ 25.3
Cloth hats & caps	272.0	176.6	+ 54.0
Hats & caps, exc. millinery, n.s.k.	61.6	27.5	+124.0
Hosiery			
Men's finished seamless hosiery	655.0	464.6	+ 41.0
All other finished seamless hosiery	452.1	274.3	+ 64.8
Seamless gray hosiery, exc. women's full & knee-high	113.2	62.0	+ 82.6
Hosiery, n.e.c., n.s.k.	61.9	61.2	+ 1.1
Knit underwear & nightwear	574.8	431.0	+ 33.4
n.s.k. not specified by kind			
n.e.c. not elsewhere classified			
na not available			

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Industry Series.

Information on specific categories of men's furnishings is available from the U.S. Census Bureau's Current Industrial Report series. Pertinent data to the furnishings industry is summarized below.

Between 1982 and 1983, shipments of supporter-type, men's briefs grew fastest, increasing 25.5% during the period to a total of \$423.5 million dollars. The largest decline was recorded by men's thermal underwear tops falling 5.1% to \$70.5 million. The only other furnishings groups to record declines in the period were pajamas and nightwear (-5.7%), 1/2-sleeve undershirts (-3.7%) and thermal underwear overall (-0.3%).

SHIPMENTS

Value of Shipments of Specified Types of Furnishings, 1982, 1983 (Men's only, except where noted)

	<u>Millions of \$</u>		<u>% Change</u> <u>1983/1982</u>
	<u>1983</u>	<u>1982</u>	
Dress & business shirts, incl. uniform	\$780.0	\$749.0	+ 4.1%
Pajamas & other nightwear	92.1	97.7	- 5.7
Robes (men's & boys')	95.5	87.0	+ 9.8
Boxer shorts, woven	84.6	78.9	+ 7.2
Supporter-type, knit briefs	423.5	337.3	+ 25.5
Lightweight undershirts with 1/4 sleeve, excl. outerwear T-shirts	235.9	244.9	- 3.7
Sleeveless athletic-type undershirts (men's & boys')	39.0	37.5	+ 4.0
Thermal underwear (men's & boys')	145.9	146.3	- 0.3
Tops (undershirts)	70.5	74.5	- 5.4
Bottoms (drawers, etc.)	65.5	62.1	+ 5.5
One piece (union suits)	9.9	9.7	+ 2.1

Source: U.S. Bureau of the Census,
Current Industrial Reports,
MA23E and MA23G (83)-1 (issued July 1984).

PRODUCER PRICES

While the producer (factory) prices of all commodities rose 1.5% between December 1983 and December 1984, prices of men's and boys' wear, overall, were up 2.1%. The largest increase noted among reported types between December 1983 and 1984 was for ties, while the producer price for knit shorts and briefs remained stable.

Producer Price Indexes For Specified Furnishings (1977 = 100, unless noted)

	<u>December Totals</u>			<u>Annual Average</u>		
	<u>1984</u>	<u>1983</u>	<u>% Change</u> <u>1984/83</u>	<u>1983</u>	<u>1982</u>	<u>% Change</u> <u>1983/82</u>
All items*	310.7	306.1	+ 1.5%	303.1	299.3	+ 1.3%
Men's & boys' wear, all types*	228.5	223.9	+ 2.1	222.4	219.5	+ 1.3
Men's dress & business shirts	155.2	150.4	+ 3.2	148.4	141.5	+ 4.9
Men's & boys' knit undershirts*	268.9	267.3	+ 0.6	266.8	256.8	+ 3.9
Men's & boys' knit shorts & briefs	139.4	139.4	--	139.0	137.5	+ 1.1
Men's & boys' ties	134.2	129.7	+ 3.5	128.4	125.3	+ 2.5

* 1967 = 100

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

FOREIGN TRADE

Imports

As they have in almost every other area of apparel, imports have become a major problem for domestic furnishings manufacturers. The International Trade Administration reports in the 1985 U.S. Industrial Outlook that imports of men's and boys' shirts and nightwear have grown from 10.7% of new supply in 1972 to 30.5% in 1984. This same source reports that during this same 12-year period the dollar value of imports of shirts and nightwear has risen by more than 600% to around \$2.5 billion.

Detailed figures on imports and exports from the Census Bureau are covered below.

Quantity & Value of Imports of Specified Furnishings, 1983, 1984

	Quantity (Thous. Doz.)			Value C.I.F.* (Thous. \$)		
	1984	1983	% Change 1984/83	1984	1983	% Change 1984/83
Shirts	2,292.4	1,919.5	+ 19.4%	\$180,286	\$115,496	+ 56.1%
Dress, cotton	2,167.0	1,826.0	+ 18.7	175,151	112,002	+ 56.4
Work, cotton	125.4	93.5	+ 34.1	5,135	3,494	+ 47.0
Dressing gowns & robes	164.5	125.8	+ 30.8	17,712	12,170	+ 45.5
Not knit						
Cotton	143.2	110.9	+ 29.1	16,441	11,218	+ 46.6
Wool	0.8	0.8	--	312	195	- 60.0
Man-made	20.5	14.1	+ 45.4	959	757	+ 26.7
Underwear	na	na	--	24,167	16,370	+ 47.6
Knit	na	na	--	4,471	4,192	+ 6.7
Not knit	2,156.0	1,709.1	+ 26.1	19,696	12,178	+ 61.7
Pajamas	1,221.4	1,137.2	+ 7.4	56,307	49,582	+ 13.6
Not knit						
Cotton	1,084.6	1,017.4	+ 6.6	50,688	44,784	+ 13.2
Man-made	136.8	119.8	+ 14.2	5,619	4,798	+ 17.1
T-shirts, cotton knit	1,521.4	1,341.0	+ 13.5	22,374	17,994	+ 24.3
Neckties, textile material	1,569.3	952.7	+ 64.7	48,102	30,447	+ 58.0
Headwear, fur not on the skin	62.5	16.1	+288.2	2,976	1,833	+ 62.4

* The C.I.F. value represents the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports, FT135,
Dec. 1983, 1984.

FOREIGN TRADE

Exports

The U.S. Department of Commerce reports that between 1982 and 1984, exports of men's and boys' shirts and nightwear declined from 2.4% to 1.2% of shipments. Overall the value of exports of men's furnishings dropped 23.6% between 1983 and 1984 with no overall category recording an increase.

Quantity & Value of Exports of Specified Furnishings, 1982, 1983

	Quantity (Thous. Dozens)		% Change 1983/82	F.A.S. Value* (Thous. \$)		% Change 1983/82
	1983	1982		1983	1982	
Furnishings, reported categories, total	na	na	--	\$51,819.8	\$67,840.0	- 23.6%
Dress shirts,						
not knit	59.7	160.8	- 62.9%	1,971.5	4,855.2	- 59.4
Cotton	33.0	70.2	- 53.0	834.3	1,096.9	- 23.9
Man-made	26.7	90.6	- 70.5	1,137.2	3,759.1	+ 69.7
Work shirts,						
not knit	281.2	153.4	+ 83.3	8,022.7	3,506.6	+128.8
Cotton	215.2	93.9	+129.2	6,615.8	2,153.0	+207.3
Man-made	66.0	59.5	+ 10.9	1,406.9	1,353.6	+ 3.9
Dress & work shirts,						
knit	184.7	209.1	- 11.7	5,302.9	7,668.3	- 30.8
Cotton	131.9	178.5	- 26.1	4,359.3	6,736.6	- 35.3
Man-made	52.8	30.6	+ 72.5	943.6	931.7	+ 1.3
Robes & dressing gowns,						
not knit	32.5	1,181.2	- 97.2	549.2	3,429.7	- 84.0
Cotton	11.2	1,173.3	- 99.0	248.0	3,161.9	- 92.2
Wool	0.6	1.0	- 40.0	38.1	22.9	+ 66.4
Man-made	20.7	7.9	+162.0	263.1	244.9	+ 7.4
Pajamas & other nightwear, total	214.5	297.3	- 27.9	6,950.3	10,351.3	- 32.9
Not knit	21.3	21.8	- 2.3	587.9	753.9	- 22.0
Cotton	16.0	14.0	+ 14.3	449.6	464.5	- 3.2
Wool	0.1	0.8	- 87.5	9.2	19.3	- 52.3
Man-made	0.6	2.5	- 76.0	38.7	149.6	- 74.1
Other textile material	4.6	4.5	- 2.2	90.4	120.1	- 24.7
Knit	193.2	275.5	- 29.9	6,362.4	9,597.8	- 33.7
Cotton	183.5	266.7	- 31.2	5,921.5	9,157.0	- 35.3
Man-made	6.5	3.9	+ 66.7	395.5	272.5	+ 45.1
Wool	2.1	2.5	+ 16.0	10.1	90.3	- 88.8
Other textile material	1.1	2.4	- 54.2	35.3	78.0	- 54.7

(continued)

FOREIGN TRADE

ExportsQuantity & Value of Exports of Specified Furnishings, 1982, 1983
(continued)

	Quantity (Thous. Dozens)		% Change 1983/82	F.A.S. Value* (Thous. \$)		% Change 1983/82
	1983	1982		1983	1982	
Underwear, total	867.5	1,129.0	- 23.2%	\$11,289.2	\$14,476.2	- 22.0%
Underwear, briefs, drawers & undershorts	650.0	773.8	- 16.0	8,308.8	9,496.2	- 12.5
Not knit	416.0	508.6	- 18.2	4,532.6	5,239.0	- 13.5
Cotton	410.9	493.3	- 16.7	4,399.0	5,056.6	- 13.0
Man-made	5.1	15.3	- 66.7	133.6	182.4	- 26.8
Knit	234.0	265.2	- 11.8	3,776.2	4,257.2	- 11.3
Cotton	228.4	230.8	- 1.0	3,664.0	3,694.8	- 0.8
Man-made	5.6	34.4	- 83.7	112.2	562.4	- 80.0
Underwear, other than briefs, drawers & undershorts	183.5	289.9	- 36.7	2,415.2	3,782.4	- 36.1
Not knit	47.6	91.1	- 47.7	563.5	1,054.3	- 46.6
Cotton	32.3	42.9	- 24.7	386.3	585.5	- 34.0
Man-made	15.3	48.2	- 68.3	177.2	468.8	- 62.2
Knit	135.9	198.8	- 31.6	1,851.7	2,728.1	- 32.1
Cotton	72.3	92.0	- 21.4	1,065.6	1,176.0	- 9.4
Man-made	63.6	106.8	- 40.4	786.1	1,552.1	- 49.4
Underwear, ns pf, of textile material not specified	34.0	65.3	- 47.9	565.2	1,197.6	- 52.8
Not knit	17.3	24.3	- 28.8	262.6	307.5	- 14.6
Knit	16.7	41.0	- 59.3	302.6	890.1	- 66.0
T-shirts, all white, knit	942.1	1,173.1	- 19.7	15,215.5	20,778.6	- 26.8
Cotton	884.0	1,004.5	- 12.0	14,221.3	17,474.3	- 18.6
Man-made	58.1	168.6	- 65.5	994.2	3,304.6	- 69.9
Neckties, textile materials	154.9	171.5	- 9.7	2,518.5	2,774.1	- 9.2
Not knit	139.1	158.2	- 12.1	2,327.0	2,454.0	- 5.2
Knit	15.8	13.3	+ 18.8	191.5	320.1	- 40.2

ns pf not specially provided for.

* F.A.S. value is the value at the U.S. port of export, based on the transaction price including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. The value, as defined, excludes the cost of loading the merchandise aboard the exporting carrier and also excludes freight, insurance, and any other charges of transportation costs beyond the port of exportation.

Source: U.S. Bureau of the Census,
U.S. General Exports FT446,
December 1983 and 1982.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

According to the U.S. Census Bureau projections, the number of American males aged 25-54 years will swell to 40.8 million by 2005, a 56.9% increase over 1984. During the same time period, the ranks of males aged 55-64 will continue on an upward spiral and number approximately 14.0 million in 2005, a jump of 35.5% over 1984. Better than four out of every 10 males will fall into these age brackets in 2005, compared with three out of 10 in 1984.

Population Projections - 1984, 1994, 2005 (Middle Series*)

	<u>Number (Thousands)</u>			<u>% Change</u> <u>2005/1984</u>	<u>Percent Distribution</u>		
	<u>1984</u>	<u>1994</u>	<u>2005</u>		<u>1984</u>	<u>1994</u>	<u>2005</u>
Male							
Total, all ages	115,073	125,464	134,297	+ 16.7%	100.0%	100.0%	100.0%
Under 5 years	9,329	9,635	8,931	- 4.3	8.1	7.7	6.6
5 to 9 years	8,296	9,866	9,094	+ 9.6	7.2	7.9	6.8
10 to 15 years	10,708	11,245	11,698	+ 9.2	9.3	9.0	8.7
16 years & over	86,742	94,718	104,574	+ 20.5	75.4	75.4	77.9
16 - 19	7,653	6,712	8,058	+ 5.3	6.6	5.3	6.0
20 - 34	31,522	29,725	27,416	- 13.0	27.4	23.7	20.4
35 - 54	25,975	35,187	40,769	+ 56.9	22.6	28.0	30.4
55 - 64	10,375	9,793	14,060	+ 35.5	9.0	7.8	10.5
65 & over	11,217	13,300	14,271	+ 27.2	9.7	10.6	10.6
Median age (years)	29.9	33.0	36.0	+ 20.4	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census,
Current Population Reports
Series P-25, No. 952 (May 1984)

Male Height/Weight Groups

The following table covers 1983 estimates on the current male population (18 - 74 years of age) in specified height/weight groups, based on an analysis of information from the U.S. Department of Health and Human Services and the U.S. Census Bureau.

Close to 2.6 million men, 3.3% of the adult male population, stand six feet two inches or taller. At the other end of the spectrum, over 10 million men, 13.6% of males, are under five feet six inches tall. Almost half (47.2%) of men between the ages of 18 and 74 fall within the five feet nine inch and six feet one inch height range.

THE POTENTIAL MARKET

Male Height/Weight Groups

Estimated Distribution of the U.S. Male Population By Height/Weight Groups, 1983 (Numbers in Thousands)

	<u>Total</u>	<u>Under 5'6"</u>	<u>5'6"-5'8"</u>	<u>5'9"-6'1"</u>	<u>6'2" & Over</u>
Total, 18-74 years	78,116	10,624	28,044	36,870	2,578
Percent	100.0%	13.6%	35.9%	47.2%	3.3%
Weight:					
Under 150 lbs.	17,576	5,312	7,187	4,921	156
Percent	22.5%	6.8%	9.2%	6.3%	0.2%
150-179 lbs.	32,652	3,906	13,826	14,530	391
Percent	41.8%	5.0%	17.7%	18.6%	0.5%
180-199 lbs.	15,389	938	4,687	9,061	703
Percent	19.7%	1.2%	6.0%	11.6%	0.9%
200-229 lbs.	9,374	391	1,952	6,249	781
Percent	12.0%	0.5%	2.5%	8.0%	1.0%
230 lbs. & over	3,125	78	391	2,109	547
Percent	4.0%	0.1%	0.5%	2.7%	0.7%

Source: Fairchild Market Research Dept. based on National Health Survey (U.S. Dept. of Health Education & Welfare) 1979 & U.S. Bureau of Census population projections.

Current Trends

According to a national survey of 4,500 retailers, about 1,800 of which carry men's wear exclusively, conducted by Retail Merchandising Service Automation, retail sales of men's wear overall, increased 1.3% in 1984.

According to this source, every measured category of furnishings recorded a larger increase in sales in 1984 than men's wear overall. Hats & caps recorded the largest increase, 11.3% followed by neckwear (7.4%) and dress shirts (7.0%). Corresponding with the huge jump in sales recorded by hats and caps, markdowns in the group were off significantly in 1984, declining by 32%. The only other furnishings category to record a decline in 1984 was dress shirts (-9.3%).

RETAIL SALES

Current Trends

Retail Performance of Specified Furnishings Categories, 1984

	<u>Total Retail Sales</u>	<u>Markup*</u>	<u>Markdowns*</u>
Menswear, total	+ 1.3%	--	--
Hats & caps	+ 11.3	50.7%	+ 32.4%
Neckwear	+ 7.4	57.8	+ 28.3
Dress shirts	+ 7.0	51.8	- 9.3
Underwear, pajamas & robes	+ 2.8	51.7	- 0.7
Hosiery	+ 2.1	51.5	+ 16.1

*January - November

Source: Retail Merchandising Service Automation,
Daily News Record (1/28/85)

According to an analysis of the men's wear market overall, performed by Kurt Salmon Associates, retail sales of men's wear are projected to rise 3.0% between 1984 and 1985.

Dress Shirts

Sales of men's dress shirts, which were up 7.0% in 1984, are expected to show slower growth in 1985. During 1984, the major thrust in dress shirts was contrasting color collars--a trend which is expected to continue in 1985. As the trend towards "dress up" continues, retailers believe the growth in men's dress shirts will also continue.

Neckwear

Industry analysts report that sales of men's neckwear increased about 12% in 1984, reaching \$200 million in that year. 1984 marked the second consecutive year in which neckties registered double digit gains, a growth rate which many industry analysts feel will be impossible for the category to maintain through 1985. Retailers believe that the key to increased sales in 1985 will be quality, reliable customer service, and quick response to a more selective fashion market.

Underwear

Industry analysts report that sales of men's underwear recorded solid gains in 1984, with continuing fashion innovations helping the category record even better growth in 1985. Many retailers are currently reporting increased business in 1985, with the hottest items now being woven printed boxer shorts. New packaging and promotions for basic knitted briefs is also aiding the increase in sales.

Other Items

Other items such as jewelry, small leather goods, etc., are generally considered to be in the accessories field and information about them may be found in the Fact File covering Fashion Accessories (Men's and Women's). Additional information on the hosiery industry is included as a part of the Hosiery/Legwear (Men's, Women's and Children's) Fact File. Men's sport shirts are covered extensively in the Men's Sportswear, Casual Wear and Jeans Fact File.

RETAIL SALES BY STORE TYPE

Until reports on the 1982 census of retail trade are completed by the U.S. Census Bureau, available information on sales of specified men's furnishings by type of outlet is limited. Data previously published for 1977 will be revised because of a change by the Census Bureau in reporting on leased departments. In the 1982 census reports these will be counted as separate retail establishments, rather than incorporated in the store-data in which operated, as was originally reported for 1977.

According to preliminary data from the 1982 Census of Retail Trade, sales of men's dress and sport shirts represented 15.3% of total retail sales in men's & boys' wear stores while this same group accounted for 7.5% of total sales in family clothing stores. For hosiery, pajamas and underwear the percentages were 2.4% and 1.6% respectively. Comparable figures for department stores are not yet available from the 1982 census.

It must be noted that all figures currently available from the 1982 Census of Retail trade are preliminary and are subject to revision when final reports are released later in 1985.

Percent of Total Sales Accounted for by Specified Men's Furnishings in Apparel Store Types, 1977, 1982

	Total Retail Sales (Million \$) 1982(p)	% of Total Accounted for by:			
		Dress & Sport Shirts		Hosiery, Pajamas & Underwear	
		1982(p)	1977	1982(p)	1977
<u>Apparel Specialty Stores</u>					
Men's wear stores	\$ 7,685.8	15.3%	15.1%	2.4%	3.0%
Family clothing stores	13,471.4	7.5	6.6	1.6	2.4

na not available

(p) preliminary

Source: U.S. Department of Commerce,
1982 Census of Retail Trade
(preliminary reports)

Men's Wear Stores

According to preliminary results of the Census Bureau's 1982 Census of Retail Trade, sales in men's and boys' clothing and furnishings stores increased by 10.8% between 1977 and 1982, reaching a total of \$7.7 billion. It must be noted, however, that during this five year period, the U.S. suffered from an extremely high inflation rate the results of which have not been taken into account in these figures. It should also be noted that the results for 1982 are preliminary and are subject to revision by the Census Bureau in final reports on the Census of Retail Trade.

The Census Bureau also reported that in 1982 there were 17,426 men's & boys' clothing and furnishings establishments with payrolls in business at any time during that year. This compares with the 17,102 firms in the men's and boys' clothing and accessories business with payrolls on December 15, 1982 as reported by the Census Bureau in County Business Patterns, 1982.

RETAIL SALES BY STORE TYPE

Men's Wear Stores

Men's & Boys' Clothing & Furnishings Stores by Employee Size, 1982

	<u>Establishments</u>		<u>Employees</u>		<u>Annual Payroll</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Mil. \$</u>	<u>% of Total</u>
Men's & boys' clothing & furnishings stores, total	17,102	100.0%	131,255	100.0%	\$1,302.7	100.0%
By establishment size:						
Under 10 employees	13,362	78.1	60,317	46.0	558.0	42.8
10 to 19 employees	2,832	16.6	37,990	28.9	370.9	28.5
20 to 49 employees	781	4.6	21,888	16.7	241.9	18.6
50 to 99 employees	105	0.6	6,895	5.3	79.5	6.1
100 or more employees	22	0.1	4,165	3.2	52.4	4.0

Source: U.S. Bureau of the Census, County Business Patterns, 1982.

The U.S. Department of Commerce reported in its monthly retail sales report that between 1982 and 1984, total retail sales in men's and boys' clothing and furnishings stores increased 9.6%, to a total of \$8.4 billion. This 1984 total marked an increase of 5.9% from 1983.

Number of Stores & Sales of Men's & Boys' Wear Stores

	<u>Annual Totals</u>			<u>% Change</u>	
	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1984/83</u>	<u>1984/82</u>
Total sales (mil. \$)	\$8,432	\$7,962	\$7,694	+ 5.9%	+ 9.6%
No. of stores	na	na	17,102	na	na

na not available

Source: U.S. Bureau of the Census, Revised Monthly Retail Sales, BR-13-85, County Business Patterns, 1982.

According to Menswear Retailers of America, the fastest growing category of men's furnishings in specialty stores in 1983 was neckwear, up 4.9%. Dress shirts accounted for 39.1% of inventory in the furnishings department while neckwear represented 18.5%.

Selected 1981 Merchandising & Operating Results in Men's Wear Stores, 1983 (Median Results)

	<u>Men's</u>					
	<u>Dress Shirts</u>	<u>Neck-wear</u>	<u>Hosiery</u>	<u>Under-wear</u>	<u>Sleep-wear</u>	<u>Head-wear</u>
% change in sales from last year (66)*	+ 4.6%	+ 4.9%	+ 4.5%	+ 4.3%	+ 1.7%	+ 4.5%
% of total store sales (92)*	7.0	3.9	1.1	1.3	0.9	0.6
% of men's furnishings sales (90)*	37.9	21.0	5.9	7.6	5.1	3.7
% distribution of average inventory in men's furnishings dept. (38)*	39.1	18.5	4.9	10.0	5.5	3.6
Markdowns, % of men's furnishings sales (57)*	9.6	8.9	3.2	3.6	8.2	9.7
Number of stock turns (38)*	1.9	2.3	2.1	1.5	1.7	1.7

*Number in parenthesis refers to number of reporting firms in each category.

Source: Menswear Retailers of America, 1983 Annual Business Survey.

RETAIL SALES BY STORE TYPE

Department Stores

There were 10,035 department stores in operation in the U.S. in 1982, according to preliminary census of retail trade data, up from 8,807 operating in 1977. Sales including leased departments totaled \$107.1 billion in 1982, up from \$76.9 billion in 1977. Excluding leased departments, comparable figures were \$99.1 billion and \$71.0 billion, respectively.

Current Census Bureau data, based on the Monthly Retail Trade reports, placed the total value of department store sales at \$129.3 billion in 1984, up from \$116.6 billion in 1983, including leased department sales.

The National Retail Merchants Association Reports in the 1983 Merchandising and Operating Results that sales of men's furnishings rose a median 9.2% in department stores with total sales of \$1 million or more. Typical sales per square foot in these furnishings departments reached \$191.1 in 1983. Sales per square foot for dress shirts was \$249.0 while those of ties were not reported.

Selected 1983 Merchandising & Operating Results of Men's Furnishings In Department Stores With Total Sales Over \$1 Million (Median Results)

	Total Upstairs Store (100)*	Adult Male Apparel (97)*	Men's Furnishings** (84)*	Men's Dress Shirts (36)*	Men's Ties (34)*
Net sales, % change from last year	+ 8.8	+ 10.0	+ 9.2	+ 11.9	+ 17.8
Sales, % of merchandise division	nr	100.0	41.7	10.9	4.6
Sales, % of total store	91.7	12.7	5.6	1.5	0.6
\$ sales per square foot of selling space (main or largest selling unit)	\$109.9	\$182.8	\$191.1	\$249.0	nr
Cumulative markon, %	48.6	50.9	51.4	49.8	56.9
Gross margin, % of sales (incl. cash discounts)	41.9	43.1	45.6	44.9	55.2
Markdowns, % of retail sales	14.9	15.5	13.2	14.0	8.3
Number of stock turns	2.7	2.9	3.2	2.9	3.4
Selling salaries, % of sales (main or largest selling unit)	7.4	6.7	6.0	6.3	6.7
Sales promotion costs, % of sales	3.0	3.0	3.0	4.3	3.4

nr not reported

* Number in parenthesis refers to the number of reporting stores in each category.

**Men's furnishings include sport shirts, sweaters, vests, dress shirts, hosiery, pajamas, robes and underwear.

Source: National Retail Merchants Association,
1983 Merchandising & Operating Results, (1984 Edition)

CONSUMER PRICES

The consumer price index for men's furnishings and "special clothing" rose 2.6% between 1983 and 1984 while the CPI for men's shirts was up 3.2% during this same period. Overall the consumer price index for men's wear increased 1.9% according to the U.S. Bureau of Labor Statistics.

Consumer Price Index for Specified Men's Furnishings 1982-1984 (Index for all Urban Consumers) (December 1977=100)

	Annual Average			% Change 1984/83	% Change 1984/82
	1984	1983	1982		
All men's wear	121.1	118.9	116.0	+ 1.9%	+ 4.4%
Men's furnishings & special clothing	148.2	144.5	138.4	+ 2.6	+ 7.1
Men's shirts (dress & sport)	127.4	123.5	122.4	+ 3.2	+ 4.1

(p) preliminary

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

RETAIL ADVERTISING PATTERNS BY MONTH

Dress Shirt Retail Advertising Percent of Year's Total Newspaper Linage Used Each Month, 1983

<u>Month</u>	<u>Dress Shirts</u>
January	3.7%
February	4.6
March	7.9
April	5.4
May	8.2
June	19.5
July	4.2
August	4.3
September	7.4
October	8.8
November	10.1
December	15.9
Total	100.0%

Source: The Advertising Checking Bureau, Inc.-
Neustadt Reports Div. (based on retail
newspaper advertising lineage in 7 markets:
Chicago, Philadelphia, Cincinnati, Dallas,
Cleveland, Los Angeles and Washington, D.C.)

CONSUMER BUYING HABITS

An analysis of the trend in consumer purchases of apparel, based on information compiled by the Market Research Corporation of America, has been reported by Kurt Salmon Associates.

A switch in preference away from knits to woven sport shirts is indicated for 1985, reversing the pattern in purchases last year.

Year-To-Year % Change In Unit Purchases by Consumers

	<u>Projected 1985/1984</u>	<u>1984/1983</u>	<u>1983/1982</u>	<u>1982/1981</u>
Men's dress shirts	+ 2%	+ 8%	- 1%	- 1%
Woven sport shirts	+ 5	- 7	- 5	+ 8
Knit sport shirts	- 3	+ 3	- 6	+ 4
Underwear	+ 5	+ 6	- 1	- 1

Source: Kurt Salmon Associates,
Soft Goods Outlook for 1985.

Dress Shirts

The following are the results of a survey of purchasers of men's dress shirts, conducted by the Gallup Organization and published in the September 1984 issue of Apparel Merchandising. The results of the survey indicate that consumers are still interested in fashion and moving to a wider variety of fashion dress shirts than just staying with the plain white button down shirt.

Men's Dress Shirt Fabric Preference

	<u>All Cotton</u>	<u>Cotton Blend</u>	<u>All Polyester</u>	<u>No Answer</u>
Men, total	39%	50%	6%	5%
Income:				
Under \$10,000	46	41	5	8
\$10,000 - \$14,999	26	62	7	5
\$15,000 - \$24,000	31	52	8	9
\$25,000 & over	40	52	4	4
Age:				
18 - 24 years	52	41	6	1
25 - 34 years	39	52	2	7
35 - 44 years	32	60	3	5
45 - 49 years	47	39	11	3
50 years & over	29	53	11	7

(continued)

CONSUMER BUYING HABITS

Dress Shirts

Men's Dress Shirt Fabric Preference (continued)

	<u>All Cotton</u>	<u>Cotton Blend</u>	<u>All Polyester</u>	<u>No Answer</u>
Women, total	28	60	9	3
Income:				
Under \$10,000	35	46	17	2
\$10,000 - \$14,999	33	62	5	--
\$15,000 - \$24,000	28	64	7	1
\$25,000 & over	21	70	4	5
Age:				
18 - 24 years	37	57	6	--
25 - 34 years	36	50	10	4
35 - 44 years	28	61	8	3
45 - 49 years	12	81	--	7
50 years & over	22	62	12	4

Source: Gallup Organization,
Apparel Merchandising, September 1984.

Price Paid For Dress Shirts

	<u>Less than \$10.00</u>	<u>\$10.00- \$14.99</u>	<u>\$15.00- \$19.99</u>	<u>\$20.00- \$24.99</u>	<u>\$25.00- \$29.99</u>	<u>\$30.00- \$39.99</u>	<u>\$40.00- & over</u>	<u>No Ans.</u>
Total	7%	23%	33%	19%	8%	4%	2%	4%
Age:								
18 - 24	3	10	32	30	13	5	6	1
25 - 34	7	22	30	22	10	4	3	2
35 - 44	7	27	28	20	7	4	2	5
45 - 49	6	24	50	12	1	3	--	4
50 & over	11	27	34	14	6	4	--	4
Income:								
Under \$10,000	16	29	31	14	3	1	1	5
\$10,000 - \$14,999	9	19	42	14	13	2	--	1
\$15,000 - \$24,999	5	26	34	18	7	5	1	4
\$25,000 & over	5	19	30	25	8	7	3	3

Source: Gallup Organization,
Apparel Merchandising, September 1984.

CONSUMER BUYING HABITS

Dress Shirts

Planned Place of Purchase of Men's Dress Shirts

	<u>Department Stores</u>	<u>Men's Specialty Stores</u>	<u>Mass Merchandisers</u>	<u>Discounters</u>	<u>Other Stores Types</u>	<u>No Answer</u>
Men, total	43%	33%	27%	6%	10%	4%
Age:						
18 - 24	42	34	23	2	13	6
25 - 34	41	40	29	5	11	1
35 - 44	47	32	22	10	5	5
45 - 49	54	10	59	8	11	5
50 & over	41	36	25	7	7	3
Women, total	51	16	34	9	10	2
Age:						
18 - 24	55	14	43	8	5	3
25 - 34	51	16	33	9	14	1
35 - 44	47	17	32	15	11	3
45 - 49	66	9	23	6	9	6
50 & over	49	18	32	8	9	2

Source: The Gallup Organization,
Apparel Merchandising, September 1984.

Neckwear

The following tables on neckwear purchases have been supplied by the NPD Textile and Apparel Market Index, a specialized service of NPD Research, Inc. Data are based on findings from an ongoing monthly panel diary tracking the purchases of 6,500 nationally representative families.

Consumer Purchases of Men's Neckwear by Store Type (Percentages of Units Purchased)

	<u>1983</u>	<u>1982</u>
Department stores	36.6%	32.6%
Specialty stores	21.8	22.3
Discount stores	19.3	20.9
Mass merchandisers	15.2	16.3
Mail order	0.8	1.8
All other	6.3	6.1

(continued)

CONSUMER BUYING HABITS

Neckwear

Consumer Purchases of Men's Neckwear by Price Points (Percentages of Units Sold)

	<u>1983</u>	<u>1982</u>
Less than \$3.00	10.9%	15.6%
\$3.00 - \$4.99	18.3	23.9
\$5.00 - \$6.99	24.1	22.2
\$7.00 - \$8.99	16.9	17.3
\$9.00 - \$10.99	11.8	9.8
\$11.00 - \$12.99	6.3	4.4
\$13.00 & over	11.7	6.9

Men's Hosiery

The trend noted in recent years toward more casual hosiery, and apparel in general, away from dressier attire for men continued in 1983. According to data compiled by NPD Special Industry Services in the Textile Apparel Market Index which tracks purchases reported by a nationwide, representative sample of 6,500 families, purchases of men's dress socks dropped from about 31% of total hosiery purchases in 1980 to about 26% in 1983. Athletic socks in the same period went up from 24% to over 32%.

Distribution of Reported Men's Hosiery Purchases by Type, 1980-1983

	<u>Based on Pairs Purchased</u>			<u>Expenditures</u>
	<u>1983</u>	<u>1981</u>	<u>1980</u>	<u>1983</u>
Total reported purchases	100.0%	100.0%	100.0%	100.0%
Type of men's hosiery:				
Dress socks	25.9	28.9	31.3	30.4
Support socks	1.2	1.3	1.5	2.2
Casual socks	23.1	23.0	22.7	21.3
Athletic socks	32.3	25.5	23.8	30.2
Work socks	13.7	17.3	17.7	12.1
Other socks	3.7	4.0	3.0	3.9

Distribution of Reported Purchases of Hosiery For Men Age 17 & Older By Place of Purchase & By Price Classification, 1982, 1983

	<u>1983</u>		<u>1982</u>	
	<u>Pairs</u>	<u>Expend.</u>	<u>Pairs</u>	<u>Expend.</u>
Total reported purchases	100.0%	100.0%	100.0%	100.0%
<u>Outlet Type</u>				
Department stores	13.5	18.6	13.0	18.6
Mass mdsrs. (incl. Sears, Ward, Penney, K-mart)	35.4	32.4	34.7	31.4
Discount stores	25.1	21.1	25.1	22.0
Specialty stores	5.7	8.1	4.0	5.3
Variety stores	6.4	5.3	7.2	6.0
Grocery stores/supermarkets	2.0	3.1	4.8	4.1
Other	11.8	11.4	11.2	12.6

(continued)

CONSUMER BUYING HABITS

Men's Hosiery

Distribution of Reported Purchases of Hosiery For Men Age 17 & Older By Place of Purchase & By Price Classification, 1982, 1983

	<u>1983</u>		<u>1982</u>	
	<u>Pairs</u>	<u>Expend.</u>	<u>Pairs</u>	<u>Expend.</u>
Total reported purchases (cont'd.)				
<u>Price Paid</u>				
Under \$1.50	74.4%	51.5%	73.9%	52.0%
\$1.50 - \$1.99	11.6	15.2	13.3	17.7
\$2.00 to \$2.49	4.7	7.8	4.3	7.3
\$2.50 or more	9.3	25.5	8.5	23.0

Source: NPD Special Industry Services,
Textile and Apparel Market Index.

MEN'S WORK WEAR

Market Trends

Sales of work wear, through retail channels (not including the uniform market) have been quite flat since 1980, increased in 1984 with estimates of total retail sales reaching \$2.2 billion in that year. Analysts believe that the main reason for the increased growth has come from the expansion of the category into home use. According to estimates by one of the nation's leading manufacturers of work wear, nearly 40% of work wear is bought for home or leisure wear.

The shift of reliance away from the institutional market comes at an extremely good time for the work-wear industry. According to the U.S. Bureau of the Census employment in blue-collar jobs is expected to grow at an annual rate of only 1.8% between 1982 and 1990.

The poor performance of the workwear industry over the last several years has resulted in a major shake-out of manufacturers in this industry. With several large manufacturers now out of the business, those remaining are now better able to profit from the increased open-to-buys left by the companies leaving.

Fashion has become increasingly important in the workwear industry. In 1984 the major thrust of retailers was in basic matched items (DNR, 2/21/85) of shirts, pants and overalls. Likewise retailers report a shift in color preferences moving away from the standard olive green towards navy blue.

According to a survey of workwear purchasers conducted by the Williamson-Dicki Co, men over 35 years old currently account for better than 50% of workwear purchases. The respondents cited that much of the purchases were primarily for home-use, and the major reason for the purchase of the apparel was comfort.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census. Data from the most recent census covering 1982 has now been released by the Bureau, the results of which are summarized below.

According to the 1985 U.S. Industrial Outlook, published by the U.S. Department of Commerce, International Trade Administration, the value of industry shipments in the men's work wear industry rose 2.7% between 1982 and 1984 climbing to a total of \$4.7 billion. However this 1984 total was 6% less than the total registered in 1983.

Work Wear (SIC 2328*)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	305	347	- 12.1%
Number of establishments, total**	554	656	- 15.5
Number with 20 or more employees	461	575	- 19.8
Employees, total (thous.)	91.0	113.7	- 20.0
Production workers (thous.)	79.6	101.6	- 21.7
Payroll (mil. \$)	838.7	719.4	+ 16.6
Value added by manufacture# (mil. \$)	2,399.2	1,765.4	+ 35.9
Value of industry shipments## (mil. \$)	4,661.2	3,641.9	+ 28.0
Capital expenditures, new (mil. \$)	58.1	44.1	+ 31.7

(e) estimated

*SIC 2328 comprises establishments primarily engaged in manufacturing men's, youths' and boys' work shirts, pants, jeans, and other work clothing and washable service apparel. As noted above, uniforms and career apparel are not included, as they are primarily produced in the tailored clothing industry. For 1977 the 656 establishments (plants) in the industry included 361 manufacturers, 41 jobbers, 91 independent contractors and 163 multiplant company contractors.

**Each business location is counted as a separate establishment.

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

(footnotes continued)

GENERAL INDUSTRY STATISTICS

(footnotes continued)

##Value of shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The values of primary products (men's work clothing) alone, of these industries, plus the value of shipments by manufacturers classified in other industries who make suits, etc., as secondary products, are shown on page 37. Value figures are in current dollars, not adjusted for inflation.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982

Employment & Earnings

After recording a gain of 5.6% between 1982 and 1983, employment in the workwear industry fell in 1984. Between October 1984, employment in the industry was off 2.3%. Production worker employment followed the same pattern as total employment, rising in 1983 (+7.3%) but declining in 1984 (-1.4%). As previously noted, a number of manufacturers have left this industry in recent years.

Average weekly earnings have shown steady growth since 1982 on the other hand. This category grew by 3.8% between 1982 and 1983 while between October 1983 and 1984 it increased another 3.7%.

Employment & Earnings in the Workwear Industry

	<u>Monthly Averages</u>			<u>Annual Averages</u>		
	Oct. 1984(p)	Oct. 1983	% Change 1984/83	1983	1982	% Change 1983/84
Work clothing (SIC 2328*)						
All employees (thous.)	100.8	103.2	- 2.3%	97.5	92.3	+ 5.6%
Production workers (thous.)	85.9	87.1	- 1.4	82.3	76.7	+ 7.3
Avg. weekly earnings	\$188.23	\$191.30	- 1.6	\$185.11	\$167.92	+10.2
Avg. hourly earnings	\$ 5.06	\$ 4.88	+ 3.7	\$ 4.91	\$ 4.73	+ 3.8
Avg. weekly hours	37.2	39.2	- 5.1	37.7	35.5	+ 6.2
Avg. overtime hours	1.0	1.3	-23.1	1.2	0.9	+33.3

(p) preliminary

* For definition of SIC code, see page 31.

Source: U.S. Bureau of Labor Statistics,
Employment and Earnings.

Approximately four out of every 10 men's workwear manufacturers employed fewer than 100 employees in 1982 according to the U.S. Bureau of the Census. Only 6.5% of manufacturers of work wear, on the other hand had 250 or more employees in that year.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Manufacturing Establishments in the Work Wear Industry By Employment Class Size, 1982

	<u>Establishments</u>		<u>Employees</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number (Thous.)</u>	<u>% of Total</u>
Men's & boys' work clothing (SIC 2328*), total	509	100.0%	94.6	100.0%
By establishment size:				
Under 50 employees	104	20.4	(D)	--
50 - 99 employees	96	18.9	7.2	7.6
100 - 249 employees	185	36.3	31.4	33.2
250 - 499 employees	91	17.9	30.9	32.7
500 or more employees	33	6.5	(D)	--

* For definition of SIC code, see page 31.
(D) Withheld to avoid disclosure.

Source: U.S. Bureau of the Census,
County Business Patterns,
1982 (CBP-82-1).

LOCATION OF THE INDUSTRY

Tennessee and Texas were the leading states in production of men's workwear in 1982 according to the U.S. Census Bureau. These two states combined accounted for more than one out of every three dollars of shipments in that year. The six top states in production of work wear account for 60% of shipments and 55% of plants in 1982 according to the findings from the 1982 Census of Manufactures.

Leading States in the Manufacture of Work Clothing, 1982

	<u>Total</u>	<u>With 20+ Employees</u>	<u>Value of Shipments (Mil. \$)</u>
Work clothing (SIC 2328*)			
Leading states:			
Tennessee	63	59	\$ 866.3
Texas	64	55	809.3
Georgia	53	49	465.8
Alabama	46	42	204.9
Mississippi	42	41	307.0
Kentucky	37	34	209.2
U.S. total	554	461	4,661.2
Leading states, total	305	280	2,862.5
Percent of U.S.	55.1%	60.7%	61.4%

* For definition of SIC code, see page 31.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series.

PRODUCTION

Information on production and shipments of work wear is compiled annually by the U.S. Census Bureau based on a sample survey and published in the Current Industrial Reports series. This is based on a survey of manufacturers, government contractors and jobbers, except the very small.

According to the latest annual report only two categories reported increases in shipments in 1983. These two categories, jeans & dungarees and overall & work-type jackets marked increases of 6.7% and 11.8%, respectively. Preliminary results for 1984 indicate that the work-pants category declined 4.9% while work shirts were up 7.4%.

Results of the 1983 and 1982 annual reports are summarized below.

Production of Specified Types of Work Wear, 1982, 1983

	<u>Thousands of Dozen</u>		<u>% Change</u>
	<u>1983</u>	<u>1982</u>	<u>1983/82</u>
Jeans & dungarees	12,392	11,596	+ 6.9%
Work pants, incl. waistband overalls	3,378	3,766	- 10.3
Coveralls, overalls, jumpsuits	1,109	1,220	- 9.1
Washable service apparel	1,247	1,257	- 0.8
Work shirts (men's & boys')	2,978	2,978	--
Uniform shirts	955	1,065	- 10.3
Overall & work-type jackets (men's & boys')	208	186	+ 11.8

Source: U.S. Bureau of the Census,
Current Industrial Reports,
(Series MA-23E(83)-1)

By Fabric/Construction

Production of Specified Types of Men's & Boy's Work Wear By Type of Fabric & Construction, 1982, 1983 (Thousands of Dozens)

	<u>1983</u>	<u>1982</u>	<u>% Change</u> <u>1983/82</u>
Men's jeans & dungarees	12,392	11,596	+ 6.9%
All cotton & chiefly cotton	11,543	10,742	+ 7.5
All man-made & chiefly man-made	629	681	- 7.6
Fabric, n.s.k.	242	173	+ 39.9

(continued)

PRODUCTION

By Fabric/Construction

Production of Specified Types of Men's & Boys' Work Wear By Type of Fabric & Construction, 1982, 1983 (Thousands of Dozens) (continued)

	1983	1982	% Change 1983/82
Men's work pants, incl. waistband overalls	3,378	3,766	- 10.3%
By construction:			
Woven fabric	3,080	3,404	- 9.5
Knit fabric	17	34	- 50.0
Construction, n.s.k.	281	338	- 16.9
By fabric:			
All cotton & chiefly cotton	712	844	- 15.6
All man-made & chiefly man-made	2,225	2,189	+ 1.6
Fabric, n.s.k.	441	743	- 40.6
Men's coveralls, overalls & jumpsuits	1,109	1,220	- 9.1
By construction:			
Woven fabric	960	1,014	- 5.3
Knit fabric	149	206	- 27.7
Construction, n.s.k. }			
By fabric:			
All cotton & chiefly cotton	489	535	- 8.6
All man-made & chiefly man-made	446	472	- 5.5
Fabric, n.s.k.	174	213	- 18.3
Men's washable service apparel	1,247	1,257	- 0.8
By fabric:			
All cotton & chiefly cotton	212	173	+ 22.5
All man-made & chiefly man-made	906	907	- 0.1
All other fabric	41	83	- 50.6
Fabric, n.s.k.	88	94	- 6.4
Men's & boys' work shirts	2,978	2,978	--
By fabric:			
All cotton & chiefly cotton	719	706	+ 1.8
All man-made & chiefly man-made	2,074	2,095	- 1.0
All wool & chiefly wool }			
All other fabric	185	177	+ 4.5
Fabric, n.s.k.			
Men's & boys' overall & work-type jackets	208	186	+ 11.8
By fabric:			
All cotton & chiefly cotton	110	74	+ 48.6
All man-made & chiefly man-made	93	107	- 13.1
Fabric, n.s.k.	5	5	--

Source: U.S. Bureau of the Census, Current Industrial Reports,
Men's Outerwear, MA-23E(83)-1.

PRODUCTION

Materials Consumed in Production

Value of Materials Consumed in the Production of Work Wear, 1977, 1982

	Delivered Cost (Mil. \$)		% Change 1982/1977
	1982	1977	
Work wear (SIC 2328*):			
Broad woven fabrics	\$1,285.0	\$1,194.5	+ 7.5%
Purchased knitted fabrics	79.0	23.8	+231.9
All other materials, containers & supplies	396.7	390.1	- 8.2

* For a definition of SIC code, see page 31.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series

Seasonality in Production

Based on reports from the U.S. Census Bureau on production of men's work wear, May is the busiest month for cuttings of both men's work pants and work shirts. May accounted for 9.7% of total 1984 cuttings of work pants while it represented 9.4% of cuttings on work shirts.

Percent of Cuttings Done by Month of Selected Types of Men's Work Wear 1983, 1984

	<u>Men's Work Pants</u>		<u>Men's Work Shirts</u>	
	1984	1983	1984	1983
Total	100.0%	100.0%	100.0%	100.0%
January	9.1	7.1	8.2	9.0
February	8.8	7.2	8.4	8.4
March	9.4	8.6	9.1	8.3
April	9.1	7.6	8.4	7.7
May	9.7	8.3	9.3	8.5
June	9.8	8.9	8.7	8.7
July	8.6	6.2	6.7	7.0
August	9.1	8.6	9.4	9.1
September	7.9	9.1	7.9	9.2
October	7.7	9.1	9.6	8.9
November	6.1	9.1	7.6	8.5
December	4.6	7.5	6.8	6.9

Source: Based on U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(81)-1.

SHIPMENTS

According to the International Trade Administration, U.S. Department of Commerce, product shipments of men's and boys' work wear (including all producers, regardless of industry classification) slipped 2.3% in 1984 after a climb of 9.3% between 1982 and 1983. The total value of product shipments was estimated by the I.T.A. to have reached \$3.9 billion in 1984.

Results from the 1982 census of manufactures are summarized below.

Value of Shipments of Work Wear, by All Producers, 1977, 1982 (Millions of Dollars)

	<u>1982</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Men's & boys' work wear, total	\$4,022.9	\$3,394.3	+ 18.5%
Men's & boys' work shirts	242.5	191.6	+ 26.6
Men's & boys' jeans & jean-cut casual slacks	2,543.9	1,962.8	+ 29.6
Men's jeans & dungarees	1,443.4		
Men's jean cut casual slacks	464.8	1,310.9	+ 45.6
Men's work pants	365.0		
Men's overalls & jumpsuits	214.2	561.0	+ 3.2
Men's washable service apparel	101.5	77.3	+ 31.3
Men's & boys' overall & work-type jackets	36.2	20.7	+ 74.9
Contract & commission work on men's & boys' work clothing	375.9	411.2	- 8.8
Work clothing, n.s.k.	93.6	99.0	- 5.5

n.s.k. not specified by kind.

(p) preliminary

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982

Later data, covering 1983, is available on shipments of men's work wear by U.S. manufacturers through the Current Industrial Reports series, compiled on the basis of a survey by the Census Bureau. The survey covers manufacturers as well as contractors and jobbers.

SHIPMENTS

Value of Shipments of Work Wear, 1982, 1983

	<u>Millions of Dollars</u>		<u>% Change 1983/1982</u>
	<u>1983</u>	<u>1982</u>	
Work wear, total (men's only, except where noted)	\$2,728.9	\$2,403.7	+ 13.5%
Jeans & dungarees	1,777.8	1,443.4	+ 23.2
Work pants, incl. waistband overalls	348.9	365.0	- 4.4
Coveralls, overalls, jumpsuits	197.4	214.2	- 7.8
Washable service apparel	104.3	101.5	+ 2.7
Work shirts (men's & boys')	260.0	243.4	+ 6.8
Overall & work-type jackets (men's & boys')	40.5	36.2	+ 11.9

Source: U.S. Bureau of the Census,
Current Industrial Reports,
 (Series MA-23E(83)-1 (issued June 1984)).

According to the 1983 CIR on gloves and mittens, the value of shipments of work gloves and mittens declined 6.6% between 1982 and 1983 while the quantity of shipments was off by 5.4%. Leather and fabric combination gloves recorded the sharpest drop falling 7.7% in units while all fabric gloves were down 4.8%.

Quantity & Value of Shipments of Work Gloves & Mittens, 1982, 1983
 (Quantity in 1,000 dozen pairs; value in million dollars)

	<u>Quantity</u>		<u>% Change 1983/82</u>	<u>Value</u>		<u>% Change 1983/82</u>
	<u>1983</u>	<u>1982</u>		<u>1983</u>	<u>1982</u>	
Work gloves & mittens, total	18,335	19,379	- 5.4%	\$266.6	\$285.4	- 6.6%
All fabric	16,065	16,883	- 4.8	151.7	160.1	- 5.2
Single-canton flannel	3,542	4,031	-12.1	na	na	--
Double-canton flannel	3,184	3,278	- 2.9	na	na	--
Fleeced-cotton jersey	2,794	2,705	+ 3.3	na	na	--
Circular-knit cotton	3,870	4,192	- 7.7	na	na	--
Coated & partially-coated fabrics	1,934	2,065	- 6.3	na	na	--
All other fabrics	786	612	+28.4	na	na	--
Leather & fabric combination	831	898	- 7.5	34.7	36.6	- 5.2
All leather work gloves	1,615	1,747	- 7.6	88.5	95.5	- 7.3
All grain, exc. welders	975	1,017	- 4.1	na	na	--
All split, exc. welders	427	418	+ 2.2	na	na	--
Leather, exc. all grain & all split, incl. welders	213	312	-31.7	na	na	--

na not available

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Gloves and Mittens, MA-23D(83)-1

PRODUCER PRICES

According to the U.S. Bureau of Labor Statistics, the only measured category of producer (factory) prices to register an increase less than that of all men's and boys' wear was one-piece work suits between December 1983 and December 1984. The largest increase in producer prices between December 1983 and 1984 was recorded by washable service apparel which recorded an increase of 2.7%.

Producer Prices of Specified Work Wear, 1982-1984 (1967=100, unless specified)

	<u>December</u>		<u>% Change</u> <u>1984/83</u>	<u>Annual Av.</u>		<u>% Change</u> <u>1983/82</u>
	<u>1984</u>	<u>1983</u>		<u>1983</u>	<u>1982</u>	
All items	310.7	306.1	+ 1.5%	303.1	299.3	+ 1.3%
Men's & boys' wear	228.5	223.9	+ 2.1	222.4	219.5	+ 1.3
Men's washable service apparel*	103.1	100.4	+ 2.7	100.1	99.6	+ 0.5
Men's one-piece work suits*	101.9	99.9	+ 2.0	na	98.7	--
Men's work pants	249.2	243.3	+ 2.4	237.7	231.4	+ 2.7
Men's dungarees & overalls**	150.3	146.9	+ 2.3	146.4	145.1	+ 0.9

*12/81 = 100 ** 1977 = 100 na not available

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

The U.S. Bureau of Labor Statistics estimates that between 1982 and 1995 the number of people employed in non-professional positions is expected to grow at an annual rate of 1.8%. Even with people buying work wear for uses other than at work, industry analysts only expect the market to grow at a 1.5% annual rate during this period.

Service occupations requiring uniforms which are not usually supplied through regular retail channels (and not included in the data reported at the retail level in this Fact File) represent a growing market; factory workers, a generally declining market as U.S. industry is registering increasing declines under pressure from imports. (The career uniform market has also been growing among businesses which wish to establish their own identity with their customers).

Employed Civilians by Occupation & by Sex, 1982, 1984

	<u>Total</u>		<u>Men</u>		<u>Women</u>	
	<u>1984</u>	<u>1982</u>	<u>1984</u>	<u>1982</u>	<u>1984</u>	<u>1982</u>
Total, 16 years & over						
(thous.)	105,005	99,526	59,091	56,271	45,915	43,256
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Managerial & professional specialty	23.7	23.3	24.6	24.5	22.5	21.7
Executive, administrative, managerial	11.0	10.7	13.0	12.8	8.5	7.8
Professional specialty	12.7	12.6	11.6	11.6	14.0	13.9

(continued)

THE POTENTIAL MARKET

Employed Civilians by Occupation & by Sex, 1982, 1984 (continued)

	<u>Total</u>		<u>Men</u>		<u>Women</u>	
	<u>1984</u>	<u>1982</u>	<u>1984</u>	<u>1982</u>	<u>1984</u>	<u>1982</u>
Tech., sales & admin. support	30.9	30.9	19.6	19.5	45.6	45.7
Technicians & related support	3.0	3.0	2.8	2.9	3.3	3.2
Sales occupations	12.0	11.3	11.1	10.9	13.1	11.9
Admin. support, incl. clerical	15.9	16.6	5.7	5.8	29.1	30.7
Service occupations	13.5	13.6	9.4	9.4	18.7	19.0
Precision production, craft, repair	12.4	11.9	20.2	19.4	2.4	1.9
Operators, fabricators, laborers	16.1	16.6	21.1	21.5	9.6	10.3
Farming, forestry, fishing	3.4	3.8	5.1	5.6	1.2	1.4

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings (January 1985)

RETAIL SALES

Recent estimates for the work wear market (not including uniforms, etc., supplied through other than retail channels) put retail sales at about \$2 billion in 1983 about double the market in 1977. Final data on workwear sales by type of outlet from the 1983 Census of Retail Trade are scheduled to be released by the Census Bureau in late 1985. Meanwhile, following are some preliminary census findings for apparel, specialty stores.

Percent of Total Store Sales Accounted for by Men's Career/Work Uniform in Specified Store Types, 1977, 1982

	<u>Total Retail</u> <u>Sales</u> <u>(Million \$)</u>	<u>% of Sales</u> <u>Accounted for by</u> <u>Men's Career/Work Uniforms</u>	
		<u>1982(p)</u>	<u>1977(r)</u>
Men's & boys' wear stores	\$ 7,685.8	2.3%	2.8%
Family clothing stores	13,471.4	0.8	2.4

(r) revised
(p) preliminary

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade (preliminary)

CONSUMER BUYING HABITS

The following are the results of a survey on men's work wear conducted by Red Kap, a division of Blue Bell. The survey covered purchases in this category.

Men's Workwear Sales by Type of Retail Outlet, 1983

Total sales	100.0%
Mass merchandisers	45.0%
Department stores	13.0%
Discounters, incl. K Mart	21.0%
Catalog chains	2.0%
All others	19.0%

Men's Workwear Sales by Type, 1983

Total sales	100.0%
Work jeans	31.0
Work sets	17.0
Coveralls	14.0
Overalls	13.0
Work shirts	12.0
Work coats & jackets	11.0
Other	2.0

Source: Red Kap, Division of Blue Bell,
Apparel Merchandising, August, 1984.

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans. (August)

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now--1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES: (Including selected major apparel specialty store sales) Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sale information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1984 Edition available now--1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits. (1984 Edition available now--1985 Edition will be available in August, 1985)

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season. (July)

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (Includes a new consumer buying intention survey) (September)

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: (Including Tailored Casual Wear) Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and physical fitness.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued this year by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons are made with findings in the last previous census, covering operations in 1977. (December)

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (July)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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**Infants', Toddlers',
Girls' and Boys' Wear**

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Prepared by
Market Research Division
Audrey S. Balchen, Director
Kenneth Greenman, Research Analyst

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E. B. Gold, Manager
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INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR

Market Trends

The market for infants', toddlers', girls' and boys' wear has clearly come of age. In 1984, an estimated \$23.1 billion was spent by consumers for this merchandise, a 10.1% gain over 1983 expenditures. According to trade sources, purchases of girls' and infants'/toddlers' wear accounted for sales of \$17.1 billion last year, an increase of 9.6% for the year. Purchases of boys' wear totaled \$6.0 billion, up 11.4% in 1984.

A key factor in the growth of this market is the mini baby-boom now taking place as the baby-boom generation has children of its own. The U.S. population of those under 16 years of age is projected to increase 3.4% by 1990.

Not only are more babies being born but they are being born into increasingly affluent two-income families. Since today's parents are waiting longer to have children, they are further into their careers and, subsequently, have more discretionary income to spend on their children. Furthermore, the number of first children born to a household--for whom parents will spend as much as a third more than on later children--is at a near record level.

This rising level of demand for children's wear is creating increasing competitiveness among retailers. The proliferation of off-price children's apparel stores, such as Kids "R" Us, has forced department stores to lower their margins in response. These off-price outlets, offering everyday low prices of 15-30% off what their conventional competition is offering, are demanding--and receiving--first-line fashion merchandise from manufacturers. Family-oriented off-price stores, such as Marshalls, have their own clearly defined children's wear departments, including private label offerings. Their sales, too, come at the expense of mass marketers who are forced to become more discount-minded.

As far as the merchandise itself is concerned, today's children place a premium on style, while their mothers rate quality very high. The result is fashion-oriented, upscale clothing more like adult wear. MTV (Music Television) has had a significant impact on kids wanting trendy apparel. In addition, the fitness boom is spurring sales of activewear for children, with licensing a key element in this area. Parents look for brand names in children's wear that they recognize from their own clothing purchases. This is becoming easier to do as more designers, including Liz Claiborne, Ralph Lauren and Norma Kamali, enter the children's market.

Licensing has continued to be a key feature in the merchandising of children's apparel. Sales of licensed products of all apparel and accessories reached \$15 billion in 1984, with children's wear accounting for a considerable share of this. Retailers now seek out licensed products with a little more care than in past years. They are more conscious of the transient nature of these items and wait longer than before to determine the popularity of a given T.V., movie, or comic book personality. This element of caution has created a greater reliance on proven, quality licensed products, such as Disney characters.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The U.S. Bureau of the Census has just issued its final 1982 census of manufactures findings covering manufacturing activity in the children's wear industry. A complete census is conducted every five years. All dollar figures included in this report are at prices current for the year specified and, therefore, unadjusted for changes in price levels. The inflation that has occurred over the 1977-1982 period should be taken into consideration when making comparisons.

The children's dress & blouse segment of the industry was the largest and fastest growing in 1982. Its value of shipments jumped 71.9% from 1977 on the strength of 7.1% more establishments. The number of establishments manufacturing children's coats & suits fell by nearly a third in 1982 while those making children's outerwear, not elsewhere classified, declined 8.5%. Both of these segments had reported increases in their value of shipments, however, with gains of 11.1% and 53.4%, respectively.

Children's Dresses & Blouses (SIC 2361*)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	490	455	+ 7.7%
Number of establishments, total**	556	519	+ 7.1
Number with 20 or more employees	391	374	+ 4.5
Employees, total (thous.)	37.7	35.2	+ 7.1
Production workers (thous.)	32.4	30.4	+ 6.6
Payroll (mil. \$)	\$ 357.3	\$ 228.4	+ 56.4
Value added by manufacture# (mil. \$)	745.9	444.6	+ 67.8
Value of industry shipments## (mil. \$)	1,417.7	824.7	+ 71.9
Capital expenditures, new (mil. \$)	11.6	6.4	+ 81.3

Children's Coats & Suits (SIC 2363*)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Number of companies	71	108	- 34.3%
Number of establishments, total**	81	120	- 32.5
Number with 20 or more employees	51	70	- 27.1
Employees, total (thous.)	6.3	6.7	- 6.0
Production workers (thous.)	5.5	5.7	- 3.5
Payroll (mil. \$)	\$ 52.6	\$ 45.8	+ 14.8
Value added by manufacture# (mil. \$)	103.6	90.2	+ 14.9
Value of industry shipments## (mil. \$)	193.1	173.8	+ 11.1
Capital expenditures, new (mil. \$)	1.4	1.3	+ 7.7

(continued)

GENERAL INDUSTRY STATISTICS

Children's Outerwear, n.e.c. (SIC 2369*)

	1982	1977	% Change 1982/1977
Number of companies	279	307	- 9.1%
Number of establishments, total**	332	363	- 8.5
Number with 20 or more employees	216	242	- 10.7
Employees, total (thous.)	27.6	29.3	- 5.8
Production workers (thous.)	23.3	25.1	- 7.2
Payroll (mil. \$)	\$ 262.8	\$ 184.9	+ 42.1
Value added by manufacture# (mil. \$)	597.8	344.4	+ 73.6
Value of industry shipments## (mil. \$)	1,102.4	718.8	+ 53.4
Capital expenditures, new (mil. \$)	17.1	6.7	+155.2

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, shown below:

SIC 2361 comprises establishments primarily engaged in manufacturing girls', children's and infants' dresses, blouses, waists, and shirts, cut and sewed from purchased woven or knit fabric.

SIC 2363 covers establishments primarily engaged in manufacturing girls', children's and infants' coats and suits, cut and sewed from woven and knit fabric.

SIC 2369 includes establishments primarily engaged in manufacturing girls', children's and infants' outerwear, not elsewhere classified, cut and sewed from purchased woven or knit fabric. It covers items such as tops, playwear, swimwear, robes, skirts, headwear, etc.

NOTE: Separate industry figures are not available on boys' wear and on children's underwear and nightwear manufacturers. These are combined in industry data on men's and boys' manufacturers and women's and children's manufacturers, which are included in other Fact Files covering specific apparel categories.

** Each business location is counted as a separate establishment.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

(footnotes continued)

GENERAL INDUSTRY STATISTICS

(footnotes continued)

The value of industry shipments includes both primary and secondary products made by manufacturers in the industry, as well as receipts for contract work and miscellaneous receipts. The value of primary products made in this industry, as well as the value of these products made by secondary producers is covered in the Value of Shipments section of this Fact File. See page 22.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series MC82-1-23C.

Children's Wear Industry Historical Trends & Forecast

In the years between the complete censuses of manufactures conducted every five years, the Census Bureau compiles the annual surveys of manufactures to provide estimates based on a sample of firms classified in the industry. The International Trade Administration has drawn on these sources and compiles estimates for 1983 and 1984 on value of industry shipments in the following children's wear industries, as well as the value on a constant (1972) basis.

According to this source, the real gain in shipments by the Children's Dress & Blouse Industry for 1982 compared with 1977 was 6.6%, while the value in the Children's Coat & Suit Industry actually declined 1.9% when inflation is taken into account.

Children's Wear Value of Industry Shipments, 1977-1984 (All Values in Millions of Dollars)

	<u>Historical Trends</u>						<u>Forecast</u>		<u>Compound Annual Growth Rate</u>
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1977-1982</u>
<u>Children's Dresses & Blouses</u> (SIC 2361)									
Value of shipments (current dollars)	\$825	896	896	969	1,133	1,441*	1,526	1,607	+11.8%
Value of shipments (1972 \$)	\$669	709	672	685	724	923	1,001	1,024	+ 6.6
<u>Children's Coats & Suits</u> (SIC 2363)									
Value of shipments (current dollars)	\$174	178	179	177	169	179*	169	180	+ 0.6%
Value of shipments (1972 \$)	\$136	132	127	136	119	124	121	125	- 1.9%

* Above figures are preliminary 1982 census of manufactures findings. See pages 2 and 3 for final figures.

Source: U.S. Department of Commerce,
International Trade Administration
1985 U.S. Industrial Outlook.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Current information on employment and earnings in the children's wear industry is supplied by the U.S. Bureau of Labor Statistics. Their reports show a 5.4% employment growth of the children's outerwear segment from 1983 to 1984. The number of production workers employed--nearly 85% of the total--rose at a slightly lower level. Dress & blouse manufacturing personnel grew 2.8% in 1984. These workers average less hours and lower weekly earnings than their outerwear counterparts. The following figures are not directly comparable with census data on employment due to a difference in the methodology used.

Employment & Earnings in Children's Wear Industries, 1977 & 1982-1984

	Annual Averages				% Change 1984/1983
	1984	1983	1982	1977	
Children's outerwear (dresses, blouses, coats, suits)(SIC 236)					
All employees (thous.)	62.8	59.6	61.4	69.2	+ 5.4%
Production workers (thous.)	53.1	50.7	52.0	59.0	+ 4.7
Average weekly earnings	\$180.68	\$172.32	\$166.37	\$116.77	+ 4.8
Average weekly hours	36.5	35.9	35.1	35.6	+ 1.7
Average weekly overtime hrs.	1.1	1.0	1.0	1.3	+10.0
Dresses & blouses (SIC 2361)					
All employees (thous.)	25.6	25.0	26.3	27.1	+ 2.4
Production workers (thous.)	22.6	22.1	23.5	24.2	+ 2.3
Average weekly earnings	\$174.93	\$168.73	\$164.38	\$117.15	+ 3.7
Average weekly hours	35.7	35.3	34.9	35.5	+ 1.1
Average weekly overtime hrs.	1.1	0.9	0.9	1.4	+22.2

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings.

Concentration in the Industry

The children's wear industry has remained relatively constant in terms of establishment size since the last census of manufactures five years ago. The majority still have less than 50 employees, in particular the coat & suit segment, where more than 60% of the plants fall into this category. Plants with 100 or more employees, though small in number, now account for the bulk of the industry's workforce and production at levels that significantly surpass those reported in the 1977 Census. In other words, the big are getting bigger.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

Children's Apparel Industries by Employment Size, 1982

	<u>Establishments</u>		<u>Employees</u>		<u>Shipments</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number (Thous.)</u>	<u>% of Total</u>	<u>Mil. \$</u>	<u>% of Total</u>
Dresses & blouses (SIC 2361) total	556	100.0%	37.7	100.0%	\$1,417.7	100.0%
By establishment size:						
Under 20 employees	165	29.7	1.2	3.2	121.0	8.5
20-49 employees	166	29.9	5.2	13.8	293.0	20.7
50-99 employees	124	22.3	8.7	23.1	265.5	18.7
100-249 employees	71	12.8	10.6	28.1	320.7	22.6
250 or more employees	30	5.4	12.0	31.8	417.5	29.4
Coats & suits (SIC 2363) total	81	100.0	6.3	100.0	193.1	100.0
By establishment size:						
Under 20 employees	30	37.0	0.3	4.8	34.7	18.0
20-49 employees	19	23.5	0.7	11.1	23.3	12.1
50-99 employees	14	17.3	1.0	15.9	20.0	10.4
100-249 employees	12	14.8	1.7	27.0	30.4	15.7
250 or more employees	6	7.4	2.6	41.3	84.7	43.9
Other outerwear (SIC 2369) total	332	100.0	27.6	100.0	1,102.4	100.0
By establishment size:						
Under 20 employees	116	34.9	0.8	2.9	60.3	5.5
20-49 employees	70	21.1	2.3	8.3	96.5	8.8
50-99 employees	62	18.7	4.4	15.9	164.7	14.9
100-249 employees	59	17.8	9.0	32.6	313.6	28.4
250 or more employees	25	7.5	11.0	39.9	467.3	42.4

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
 Industry Series, MC82-1-23C.

Leading States

New York remains the dominant state in the manufacturing of children's wear. It has the most plants in all three reported segments of the industry, in particular children's coats and suits, where the state accounts for a third of all establishments. The other two segments--children's dresses and blouses and children's outerwear--are not as concentrated. More states have a share of the manufacturing activity in these areas, notably Pennsylvania, California, North Carolina and New Jersey.

GENERAL INDUSTRY STATISTICS

Leading States

Leading Manufacturing States in Children's Wear Industries, 1982

	<u>No. of Establishments</u>		<u>Total</u>	<u>Value of</u>
	<u>Total</u>	<u>With 20+ Employees</u>	<u>Employees</u> (Thous.)	<u>Industry</u> <u>Shipments</u> (Mil. \$)
Children's dresses & blouses (SIC 2361)				
Leading states:				
New York	131	81	4.6	\$ 421.7
Pennsylvania	90	76	7.2	195.0
California	56	23	1.4	59.4
North Carolina	45	39	2.5+	na
New Jersey	42	28	1.7	64.9
Florida	26	17	1.1	25.3
Virginia	26	24	2.7	38.8
Texas	23	16	1.0 - 2.5*	na
U.S. total	556	391	37.7	1,417.7
Leading states, total	439	304	23.0	--
Percent of U.S. total	79.0%	77.7%	61.0%	--
Children's coats & suits (SIC 2363)				
Leading states:				
New York	27	14	1.9	\$ 79.0
New Jersey	14	6	0.5	8.6
Georgia	14	13	0.5 - 1.0*	na
U.S. total	81	51	6.3	193.1
Leading states, total	55	33	3.2	--
Percent of U.S. total	67.9%	64.7%	50.8%	--
Children's outerwear, n.e.c. (SIC 2369)				
Leading states:				
New York	75	36	2.5	\$ 188.2
California	30	15	1.0 - 2.5*	na
North Carolina	26	23	1.0 - 2.5*	na
New Jersey	25	12	1.3	45.0
Pennsylvania	25	19	1.0 - 2.5*	na
Georgia	22	21	2.5+	na
Florida	20	11	1.0	57.4
U.S. total	322	216	27.6	1,102.4
Leading states, total	223	137	13.0	--
Percent of U.S. total	67.2%	63.4%	47.1%	--

na not available (withheld by Census Bureau to avoid disclosing data for individual companies; data included in U.S. totals.)

* Mid-point of ranges used to arrive at totals.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series, MC82-1-23C.

PRODUCTION

Children's & Girls' Wear

Production, as defined by the U.S. Department of Commerce, consists of all specified types of garments cut or knit within the United States. Garments which are cut in the U.S., sent outside the country to be sewn, and shipped back under the 807 import category are also included.

Data on the production of children's & girls' wear is reported in the Current Industrial Reports compiled by the U.S. Bureau of the Census. Virtually all known manufacturers in the industry are surveyed for these annual reports. The term "children's" includes little boys (infants-toddlers) as well as little girls and older girls.

Unit production in 1983, when compared with the prior year, shows varying performances for these products depending on both the type of apparel and the age group for which they are produced. To cite one example, production of infants' and toddlers' nightgowns rose by more than a third while those for children declined. This is a reflection of the make-up in the U.S. market's demographic characteristics at the present time.

Production of Specified Types of Children's & Girls' Wear, 1982, 1983 (Thousands of Units)

	<u>1983</u>	<u>1982</u>	<u>% Change 1983/1982</u>
Dresses, total	78,624	70,692	+ 11.2%
Girls', sub-teen & teenage	22,428	18,000	+ 24.6
Children's	33,924	33,348	+ 1.7
Infants' & toddlers'	22,272	19,344	+ 15.1
Blouses (excluding knit outerwear sport shirts), total	57,348	56,604	+ 1.3
Girls', sub-teen & teenage	32,628	32,616	+ 0.04
Children's, infants' & toddlers'	24,720	23,988	+ 3.0
Knit outerwear sport shirts, except sweatshirts, total	142,788	141,252	+ 1.1
Girls', sub-teen & teenage	15,264	19,212	- 20.5
Children's	79,992	77,352	+ 3.4
Infants' & toddlers'	47,532	44,688	+ 6.4
Sweatshirts, total	3,624	3,660	- 1.0
Sweaters, total	12,564	11,508	+ 9.2
Coats, excluding coat & legging sets, total	3,012	3,192	- 5.6
Girls', sub-teen & teenage	1,596	1,488	+ 7.3
Children's & infants'	1,416	1,704	- 16.9
Coat & legging sets, snowpants sets, & ski & snow suits, total	2,196	3,120	- 29.6
Raincoats & raincapas, total	228	384	+ 40.6
Jackets, total	8,532	7,704	+ 10.7
Vests, total	204	276	- 26.1
Suits, total	1,968	2,148	- 8.4

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Specified Types of Children's & Girls' Wear, 1982, 1983 (Thousands of Units) (continued)

	<u>1983</u>	<u>1982</u>	<u>% Change</u> <u>1983/1982</u>
Skirts, total	18,744	19,272	- 2.7%
Slacks, incl. jean-cut casual			
slacks, total	52,632	50,220	+ 4.8
Girls', sub-teen & teenage	14,952	16,356	- 8.6
Children's & infants'	37,680	33,864	+ 11.3
Jeans & dungarees, total	31,980	32,580	- 1.8
Girls', sub-teen & teenage	13,956	12,324	+ 13.2
Children's & infants'	18,024	20,256	- 11.0
Shorts, total	21,156	20,328	+ 4.1
Girls', sub-teen & teenage	8,316	7,260	+ 14.5
Children's & infants'	12,840	13,068	- 1.7
Playgarments, incl. playsuits &			
haltertops, total	98,148	100,668	- 2.5
Girls', sub-teen & teenage	5,316	5,400	- 1.5
Children's	26,268	25,224	+ 4.1
Infants' & toddlers'	66,564	70,044	- 5.0
Swimsuits, total	9,900	10,416	- 4.9
Panties, incl. pettipants, total	144,780	150,132	- 3.6
Girls' & children's	93,192	96,456	- 3.4
Infants' & toddlers'	51,588	53,676	- 3.9
Slips, vests & undershirts, total	75,672	71,232	+ 6.2
Girls' & children's	19,884	19,800	+ 0.4
Infants' & toddlers'	55,788	51,432	+ 8.5
Nightgowns, total	26,640	23,688	+ 12.5
Girls' & children's	14,220	14,376	- 1.1
Infants' & toddlers'	12,420	9,312	+ 33.4
Pajamas, incl. heavyweight sleeping			
garments with feet, total	65,172	58,812	+ 10.8
Girls' & children's	19,584	16,668	+ 17.5
Infants' & toddlers'	45,588	42,144	+ 8.2
Robes, girls', children's, infants'	2,544	2,664	- 4.5

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear, MA-23F(83)-1,
Underwear & Nightwear MA-23G(83)-1.

PRODUCTION

Hosiery

The production of infants' & children's hosiery rose 5% in 1983 to more than 27 million pairs. Waist-highs had the largest growth for the year by a wide margin--nearly 50%.

Production of Infants' & Children's Hosiery, 1982, 1983 (Dozens of Pairs in Thousands)

	1983	1982	% Change 1983/1982
Infants' & children's hosiery (sizes 3-8 1/2), total	27,041	25,764	+ 5.0%
Footsocks	620	618	+ 0.3
Anklets	16,522	16,055	+ 2.9
Knee-highs	6,993	6,653	+ 5.1
Waist-highs	1,471	992	+ 48.3
Mid-calf/crew	1,396	1,446	- 3.5

Note: Production of hosiery for boys and girls is not separately reported, but combined in a total on production of hosiery sizes 8-11 which includes women's. For this information, see the HOSIERY FACT FILE.

Source: National Association of Hosiery Manufacturers,
1983 Hosiery Statistics.

Diapers

Production of Infants' Diapers, 1982, 1983 (Dozens of Pairs in Thousands)

	1983	1982	% Change 1983/1982
Diapers, total	7,518	8,133	- 7.6%
Bird's-eye	3,672	3,825	- 4.0
Gauze	3,846	4,308	- 10.7

Source: National Cotton Council of America,
Cotton Counts Its Customers 1984.

Children's & Girls' Wear

The distribution of 1982 and 1983 cuttings of children's and girls' clothing by type of fabric and construction, based on manufacturers reporting to the Census Bureau, is covered in the following table.

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983
(Percent Distribution)

	Percent	
	1983	1982
Girls', sub-teen & teenage girls' dresses, total	100.0%	100.0%
By construction:		
Woven fabric	67.9	72.0
Knit fabric	20.3	21.3
Construction n.s.k.	11.7	6.7
By fabric:		
All cotton & chiefly cotton	49.8	43.4
All man-made & chiefly man-made	38.2	45.9
All wool & chiefly wool	4.9	3.7
All other fabric	7.1	7.0
Fabric n.s.k.		
Children's dresses, total	100.0	100.0
By construction:		
Woven fabric	64.4	60.0
Knit fabric	27.6	30.8
Construction n.s.k.	8.0	9.2
By fabric:		
All cotton & chiefly cotton	19.3	21.9
All man-made & chiefly man-made	68.2	62.5
All wool & chiefly wool		
All other fabric	12.4	15.6
Fabric n.s.k.		
Infants' & toddlers' dresses, total	100.0	100.0
By construction:		
Woven fabric	69.9	78.2
Knit fabric	13.7	14.1
Construction n.s.k.	16.4	7.7
By fabric:		
All cotton & chiefly cotton	13.5	17.3
All man-made & chiefly man-made	73.3	75.2
All other fabric	13.2	75.2
Fabric n.s.k.		
Girls', sub-teen & teenage girls' blouses, exc. knit outerwear sport shirts, total	100.0	100.0
By construction:		
Woven fabric	55.4	55.6
Knit fabric	41.4	41.0
Construction n.s.k.	3.2	3.3
By fabric:		
All cotton & chiefly cotton	17.2	17.2
All man-made & chiefly man-made	74.0	74.4
All other fabric	8.7	8.4
Fabric n.s.k.		

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983
(Percent Distribution)
(continued)

	Percent	
	1983	1982
Children's, infants' & toddlers' blouses, exc. knit outerwear sport shirts, total	100.0%	100.0%
By construction:		
Woven fabric	61.7	72.8
Knit fabric	27.3	15.1
Construction n.s.k.	11.0	12.1
By fabric:		
All cotton & chiefly cotton	20.1	16.9
All man-made & chiefly man-made	68.8	71.0
All other fabric		
Fabric n.s.k.	11.1	12.1
Girls', sub-teen & teenage girls' knit outerwear sport shirts, exc. sweatshirts, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	46.9	39.6
All man-made & chiefly man-made	52.0	58.6
Fabric n.s.k.	1.0	1.7
Children's knit outerwear sport shirts, exc. sweatshirts, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	23.2	21.0
All man-made & chiefly man-made	74.2	75.1
Fabric n.s.k.	2.6	3.8
Infants' & toddlers' knit outerwear sport shirts, exc. sweatshirts, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	19.9	19.4
All man-made & chiefly man-made	79.4	79.8
Fabric n.s.k.	0.7	0.8
Girls', children's & infants' sweaters, incl. sweater vests, total	100.0	100.0
By fabric:		
All man-made & chiefly man-made	70.0	78.1
All cotton & chiefly cotton		
All wool & chiefly wool	30.0	21.9
Fabric n.s.k.		

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983 (Percent Distribution) (continued)

	Percent	
	1983	1982
Girls', sub-teen & teenage girls' coats, exc. coat & legging sets, total	100.0%	100.0%
By fabric:		
All man-made & chiefly man-made	83.5	82.2
All wool & chiefly wool }	16.5	17.7
Fabric n.s.k.		
Children's & infants' coats, exc. coat & legging sets, total	100.0	100.0
By fabric:		
All man-made & chiefly man-made	54.2	63.4
All wool & chiefly wool }	45.8	36.6
Fabric n.s.k.		
Girls', children's & infants' jackets, total	100.0	100.0
By fabric:		
All man-made & chiefly man-made	75.4	76.0
All wool & chiefly wool }	1.1	1.4
All other fabric }		
Fabric n.s.k.	23.5	22.6
Girls', children's & infants' suits, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	27.4	45.2
All man-made & chiefly man-made	45.7	30.7
All other fabric }	26.8	24.0
Fabric n.s.k.		
Girls', children's & infants' skirts, total	100.0	100.0
By construction:		
Woven fabric	51.9	52.0
Knit fabric	11.0	11.0
Construction n.s.k.	37.1	37.0
By fabric:		
All cotton & chiefly cotton	26.1	26.0
All man-made & chiefly man-made	48.3	48.6
All wool & chiefly wool }	25.6	25.4
Fabric n.s.k.		
Girls', sub-teen & teenage girls' slacks, incl. jean-cut casual slacks, total	100.0	100.0
By construction:		
Woven fabric	78.6	79.2
Knit fabric	2.9	6.9
Construction n.s.k.	18.5	13.9

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983 (Percent Distribution) (continued)

	Percent	
	1983	1982
Girls', sub-teen & teenage girls' slacks, (cont'd.)		
By fabric:		
All cotton & chiefly cotton	28.0%	25.0%
All man-made & chiefly man-made	57.9	61.9
All wool & chiefly wool }	14.0	13.1
Fabric n.s.k.		
Children's & infants' slacks, incl. jean-cut casual slacks, total	100.0	100.0
By construction:		
Woven fabric	75.7	75.4
Knit fabric	20.9	21.1
Construction n.s.k.	3.4	3.4
By fabric:		
All cotton & chiefly cotton	36.1	35.9
All man-made & chiefly man-made	60.2	60.2
All wool & chiefly wool }		
All other fabric }	3.7	3.9
Fabric n.s.k.		
Girls', sub-teen & teenage girls' jeans & dungarees, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	62.9	62.5
All man-made & chiefly man-made	29.9	32.1
Fabric n.s.k.	7.1	5.3
Children's & infants' jeans & dungarees, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	43.8	43.4
All man-made & chiefly man-made	50.3	51.8
Fabric n.s.k.	5.9	4.9
Girls' sub-teen & teenage girls' shorts, total	100.0	100.0
By construction:		
Woven fabric	74.9	76.7
Knit fabric	13.6	16.0
Construction n.s.k.	11.5	7.3
By fabric:		
All cotton & chiefly cotton	18.0	19.3
All man-made & chiefly man-made	71.0	74.2
Fabric n.s.k.	11.0	6.4

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983 (Percent Distribution) (continued)

	Percent	
	1983	1982
Children's & infants' shorts, total	100.0%	100.0%
By construction:		
Woven fabric	63.9	64.4
Knit fabric	33.9	32.4
Construction n.s.k.	2.1	3.2
By fabric:		
All cotton & chiefly cotton	38.8	39.0
All man-made & chiefly man-made	57.7	56.4
All other fabric		
Fabric n.s.k. }	3.5	4.6
Children's playgarments, incl. playsuits & halter tops, total	100.0	100.0
By construction:		
Woven fabric	43.0	48.1
Knit fabric	25.1	30.5
Construction n.s.k.	31.9	21.4
By fabric:		
All cotton & chiefly cotton	45.2	52.2
All man-made & chiefly man-made	24.9	28.6
Fabric n.s.k.	29.9	19.2
Infants' & toddlers' playgarments, incl. creepers & rompers, total	100.0	100.0
By construction:		
Woven fabric	47.2	43.3
Knit fabric	50.6	54.5
Construction n.s.k.	2.2	2.2
By fabric:		
All cotton & chiefly cotton	29.9	28.2
All man-made & chiefly man-made	67.4	69.6
All other fabric		
Fabric n.s.k. }	2.7	2.2
Girls', infants' & children's swimsuits, total	100.0	100.0
By construction:		
Woven fabric	9.0	18.1
Knit fabric	90.1	81.0
Construction n.s.k.	1.0	0.9
By fabric:		
All man-made & chiefly man-made	98.5	98.6
Fabric n.s.k.	1.4	1.4

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983 (Percent Distribution) (continued)

	Percent	
	1983	1982
<u>Underwear</u>		
Girls' underwear & children's panties, incl. pettipants, total	100.0%	100.0%
By construction:		
Woven fabric	3.9	8.5
Knit fabric	96.1	91.5
By fabric:		
All cotton & chiefly cotton	66.0	66.0
All man-made & chiefly man-made	33.1	32.9
Fabric n.s.k.	0.9	1.1
Girls' & children's slips, vests & undershirts, total	100.0	100.0
By construction:		
Woven fabric	12.2	9.7
Knit fabric	87.7	90.3
By fabric:		
All cotton & chiefly cotton	37.8	35.5
All man-made & chiefly man-made	62.2	64.5
Infants' & toddlers' slips, vests, undershirts & other underwear, exc. panties, total	100.0	100.0
By fabric:		
All cotton & chiefly cotton	86.8	86.9
All man-made & chiefly man-made	10.8	10.8
Fabric n.s.k.	2.4	2.3
<u>Nightwear</u>		
Girls' & children's pajamas incl. heavyweight sleeping garments with feet, total	100.0	100.0
By construction:		
Woven fabric	14.1	14.2
Knit fabric	85.9	85.7
Girls' & children's nightgowns, total	100.0	100.0
By construction:		
Woven fabric	32.8	32.9
Knit fabric	66.2	65.9
Construction n.s.k.	1.0	1.2
By fabric:		
All cotton & chiefly cotton	99.1	99.1
All man-made & chiefly man-made	0.9	0.9
Fabric n.s.k.		

(continued)

PRODUCTION

Children's & Girls' Wear

Production of Children's & Girls' Wear by Fabric & Construction, 1982, 1983 (Percent Distribution) (continued)

	Percent	
	1983	1982
<u>Nightwear</u> (cont'd.)		
Infants' & toddlers' nightgowns, total	100.0%	100.0%
By construction:		
Woven fabric	10.2	11.7
Knit fabric	89.8	88.3
Infants' & toddlers' pajamas, incl. heavyweight sleeping garments with feet, total	100.0	100.0
By construction:		
Woven fabric	2.8	3.2
Knit fabric	97.2	96.7
By fabric:		
All cotton & chiefly cotton	3.6	5.0
All man-made & chiefly man-made	96.4	95.0

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear, MA-23F(83)-1,
Underwear & Nightwear MA-23G(83)-1.

Boys' Wear

Following are figures reported by the Census Bureau on production of boys' wear items, based on surveys of manufacturers in 1982 and 1983.

Data on little boys' wear (infants' and toddlers')--where available--is reported as these items are merchandised, i.e. combined with items for female infants and toddlers.

It should also be noted that many items of boys' apparel, not shown in the following tables, are not separately reported by the Census Bureau, but are combined with men's wear. These figures are reported in specific men's wear Fact Files.

Production of Specified Types of Boys' Wear-1982, 1983

	(Thous. Units)		% Change	Percent of
	1983	1982	1983/82	Total 1983
Boys' suits, incl. casual & uniform, total	2,986	3,473	- 14.0%	100.0%
By fabric:				
All man-made & chiefly man-made	2,663	3,303	- 19.4	89.2
All wool & chiefly wool	95	50	+ 90.0	3.2
Fabric n.s.k.	228	120	+ 90.0	7.6

(continued)

PRODUCTION

Boys' Wear

Production of Specified Types of Boys' Wear-1982, 1983 (continued)

	(Thous. Units)		% Change	Percent of
	1983	1982	1983/82	Total 1983
Boys' suits (cont'd.)				
By construction:				
Woven fabric	2,752	2,903	- 5.2%	92.2%
Knit fabric				
Construction n.s.k. }	234	570	- 58.9	7.8
Boys' overcoats, topcoats, & tailored suburban & car coats, incl. uniform, total	434	404	+ 7.4	100.0
By fabric:				
All man-made & chiefly man-made	385	359	+ 7.2	88.7
Fabric n.s.k.	49	45	+ 8.9	11.3
Boys' tailored suit-type dress & sport coats, incl. uniform, total	2,175	2,016	+ 7.9	100.0
By fabric:				
All wool & chiefly wool	264	298	- 11.4	12.1
All man-made & chiefly man-made	862	681	+ 26.6	39.6
All other fabric	112	179	- 37.4	5.1
Fabric n.s.k.	937	858	+ 9.2	43.1
Boys' separate vests, exc. sweater vests total	199	307	- 35.2	100.0
By fabric:				
All cotton & chiefly cotton	111	245	- 54.7	55.8
All man-made & chiefly man-made				
Fabric n.s.k. }	88	62	+ 41.9	44.2
Boys' dress shirts, incl. uniform, total	9,204	11,064	- 16.8	100.0
By fabric:				
All cotton & chiefly cotton	5,724	7,500	- 23.7	62.2
All man-made & chiefly man-made	2,256	2,412	- 6.5	24.5
All other fabric				
Fabric n.s.k. }	1,224	1,152	+ 6.2	13.3
By construction:				
Woven fabric	5,892	6,720	- 12.3	64.0
Knit fabric	2,568	3,744	- 31.4	27.9
Construction n.s.k.	744	600	+ 24.0	8.1
Boys' woven sport shirts, total	11,832	15,564	- 24.0	100.0
By fabric:				
All cotton & chiefly cotton	3,540	3,864	- 8.4	29.9
All man-made & chiefly man-made	6,828	11,004	- 37.9	57.7
All wool & chiefly wool				
All other fabric	1,464	696	+110.3	12.4
Fabric n.s.k. }				

(continued)

PRODUCTION

Boys' Wear

Production of Specified Types of Boys' Wear-1982, 1983 (continued)

	(Thous. Units)		% Change	Percent of
	1983	1982	1983/82	Total 1983
Boys' knit sport shirts, exc. sweatshirts total	149,508	141,672	+ 5.5%	100.0%
By fabric:				
All cotton & chiefly cotton	20,892	25,320	- 17.5	14.0
All man-made & chiefly man-made	112,224	99,528	+ 12.8	75.1
All other fabric	6,324	6,180	+ 2.3	4.2
Fabric n.s.k.	10,068	10,644	- 5.4	6.7
By type:				
Full open front shirts	4,596	3,876	+ 18.6	3.1
Partial front opening	53,832	41,736	+ 29.0	36.0
T-shirts made for outerwear, incl. tank tops	81,276	83,628	- 2.8	54.4
Type n.s.k.	9,804	12,432	- 21.1	6.5
Boys' sweaters, incl. sweater vests, knit cardigan & pullovers, total	3,840	4,332	- 11.4	100.0
By fabric:				
All man-made & chiefly man-made	2,604	3,264	- 20.2	67.8
All wool & chiefly wool				
All other fiber	1,236	1,068	+ 15.7	32.2
Fabric n.s.k.				
Boys' separate dress & sport trousers, including uniform, total	15,567	14,884	+ 4.6	100.0
All cotton & chiefly cotton	2,222	2,238	- 0.7	14.3
All man-made & chiefly man-made	11,746	10,963	+ 7.1	75.4
Fabric n.s.k.	1,599	1,683	- 5.0	10.3
Boys' jeans & dungarees, total	70,627	64,419	+ 9.6	100.0
By fabric:				
All cotton & chiefly cotton	61,954	52,150	+ 18.8	87.7
All man-made & chiefly man-made	7,602	11,202	- 32.1	10.8
Fabric n.s.k.	1,071	1,067	+ 0.4	1.5
Boys' jean-cut casual slacks, total	18,668	20,100	- 7.1	100.0
By fabric:				
All cotton & chiefly cotton	8,841	11,542	- 23.4	47.4
All man-made & chiefly man-made	9,827	8,558	+ 14.8	52.6
Boys' shorts, exc. athletic, total	6,895	9,548	- 27.8	100.0
By fabric:				
All cotton & chiefly cotton	3,527	4,910	- 28.2	51.1
All man-made & chiefly man-made	3,334	4,314	- 22.7	48.3
All other fabric	34	324	- 89.5	0.5

(continued)

PRODUCTION

Boys' Wear

Production of Specified Types of Boys' Wear-1982, 1983 (continued)

	(Thous. Units)		% Change	Percent of
	1983	1982	1983/82	Total 1983
Boys' shorts, exc. athletic (cont'd.)				
By construction:				
Woven fabric	3,995	4,637	- 13.8%	57.9%
Knit fabric	2,900	4,911	- 40.9	42.1
Boys' coveralls, overalls, work pants & jumpsuits, total	6,420	4,860	+ 32.1	100.0
By fabric:				
All cotton & chiefly cotton	4,236	3,276	+ 29.3	66.0
All man-made & chiefly man-made	2,184	1,584	+ 37.9	34.0
Fabric n.s.k.				
Boys' nontailored heavy outer jackets, exc. ski, total	2,328	2,712	- 14.2	100.0
By fabric:				
All cotton & chiefly cotton	228	396	- 42.4	9.8
All man-made & chiefly man-made	1,356	1,584	- 14.4	58.2
All wool & chiefly wool	96	132	- 27.3	4.1
All other fabric	648	600	+ 8.0	27.8
Fabric n.s.k.				
Boys' nontailored light outer jackets, total	5,580	6,180	- 9.7	100.0
By fabric:				
All cotton & chiefly cotton	756	636	+ 18.9	13.5
All man-made & chiefly man-made	4,296	4,704	- 8.7	77.0
All other fabric	528	840	- 37.1	9.5
Boys' pajamas & other nightwear, exc. robes, total	14,208	14,976	- 5.1	100.0
By construction:				
Woven fabric	3,468	3,300	+ 5.1	24.4
Knit fabric	10,080	11,124	- 9.4	70.9
Construction n.s.k.	660	552	+ 19.6	4.6
By fabric:				
All cotton & chiefly cotton	4,092	4,068	+ 0.6	28.8
All man-made & chiefly man-made	9,444	10,356	- 8.8	66.5
Fabric n.s.k.	672	552	+ 21.7	4.7
Boys' lightweight knit undershirts with 1/4 sleeve, exc. T-shirts made for outerwear, total	39,696	59,952	- 33.8	100.0
By fabric:				
Cotton/polyester blended fabric	16,272	25,944	- 37.3	41.0
All cotton & all other cotton blends	23,424	34,008	- 31.1	59.0

(continued)

PRODUCTION

Boys' Wear

Production of Specified Types of Boys' Wear-1982, 1983 (continued)

	<u>(Thous. Units)</u>		<u>% Change</u>	<u>Percent of</u>
	<u>1983</u>	<u>1982</u>	<u>1983/82</u>	<u>Total 1983</u>
Boys' supporter type knit briefs, total	85,584	103,392	- 17.2%	100.0%
By fabric:				
Cotton/polyester blended fabric	18,612	23,928	- 22.2	21.7
All cotton & all other cotton blends	66,972	79,464	- 15.7	78.2

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(83)-1,
Underwear & Nightwear, MA23G(83)-1.

MATERIALS CONSUMED IN PRODUCTION

The cost of materials consumed or put into production by establishments classified in this industry rose 40.3% from 1977 to 1982. The delivered cost of nearly \$900 million includes such components as raw materials, semifinished goods and contract work. Purchased knitted fabrics account for a larger proportion of materials consumed by all three children's wear segments than they did five years ago.

Materials Consumed in the Production of Children's Wear, 1982

	<u>Delivered Cost</u> <u>(million \$)</u>	<u>Percent of</u> <u>Total</u>
Children's dresses & blouses (SIC 2361)		
total	\$438.5	100.0%
Broadwoven fabrics	131.4	30.0
Purchased knitted fabrics	134.6	30.7
All other materials, containers & supplies	53.6	12.2
Materials, containers & supplies n.s.k.	118.9	27.1
Children's coats & suits (SIC 2363) total	67.7	100.0
Broadwoven fabrics	25.1	37.1
Purchased knitted fabrics	11.9	17.6
All other materials, containers & supplies	10.4	15.4
Materials, containers & supplies n.s.k.	20.3	30.0

(continued)

MATERIALS CONSUMED IN PRODUCTION

Materials Consumed in the Production of Children's Wear, 1982 (continued)

	<u>Delivered Cost</u> <u>(million \$)</u>	<u>Percent of</u> <u>Total</u>
Children's outerwear, n.e.c. (SIC 2369)		
total	\$391.1	100.0%
Broadwoven fabrics	138.9	35.5
Purchased knitted fabrics	83.4	21.3
All other materials, containers & supplies	49.3	12.6
Materials, containers & supplies n.s.k.	119.5	30.6

n.s.k. not specified by kind.

n.e.c. not elsewhere classified.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series MC82-I-23C.

VALUE OF PRODUCT SHIPMENTS

The value of U.S. shipments of the specified products covered in the following table represents the total value of shipments of products classified as primary to an industry that were shipped by all manufacturing establishments regardless of their industry classification.

In the case of boys' wear, reported value of product shipments is limited to suits, coats and tailored jackets. Other product types are combined in information on men's wear shipments and covered in specific men's wear Fact Files.

Value of Shipments by All U.S. Producers (Specified Categories of Boys' & Children's Wear--1977, 1982

	<u>Millions of \$</u>		<u>% Change</u>
	<u>1982</u>	<u>1977</u>	<u>1982/1977</u>
Boys' suits, coats & tailored jackets (SIC 23114)	\$ 148.2	\$ 149.7	- 1.0%
Children's dresses & blouses (SIC 2361)	1,491.7	839.1	+ 77.8%
Dresses & shirts	755.4	--	--
Knit sport shirts	450.2	176.1	+155.7*
Contract work on dresses & blouses	208.7	134.5	+ 55.2
Dresses & blouses n.s.k.	77.4	528.5	- 85.4*

(continued)

VALUE OF PRODUCT SHIPMENTS

Value of Shipments by All U.S. Producers Of Specified Categories of Boys' & Children's Wear--1977, 1982 (continued)

	Millions of \$		% Change
	1982	1977	1982/1977
Children's coats & suits (SIC 2363)	\$ 211.4	\$ 191.5	+ 10.4%
Coats, jackets, suits & snowsuits	171.5	173.6	- 1.2
Contract work on coats & suits	32.4	17.9	+ 81.0
Coats & suits n.s.k.	7.4	--	--
Children's outerwear n.e.c. (SIC 2369)	1,246.6	765.9	+ 62.8
Outerwear n.e.c.	1,062.9	685.9	+ 55.0
Contract work on outerwear n.e.c.	123.2	80.0	+ 54.0
Outerwear n.e.c. & n.s.k.	60.5	--	--

n.s.k. not specified by kind.

n.e.c. not elsewhere classified.

* The large percentage differences are a reflection of improvements in classifying specific garment types in 1982.

Note: For a definition of SIC's, see page 3.

Children's & Girls' Wear

The source for 1983 values of specified types of children's & girls' wear, as well as boys' wear, are the Census Bureau's Current Industrial Reports. This data, like that on unit production, shows a wide range of results depending on the particular product.

The largest gain in shipments in 1983 was registered in girls', sub-teens' & teens' shorts, up 27.4% for the year. Infants' & toddlers' nightgowns were only slightly behind, with a 26.1% jump. On the down side, raincoats & raincapas (total) declined 37.3% in shipments in 1983 while vests dropped 27.3%.

Shipments of Specified Types in Children's & Girls' Wear--1982, 1983 (Value in Millions of Dollars)

	1983	1982	% Change
			1983/1982
Children's & girls' wear, total of specified categories*	\$3,027.8	\$3,016.9	+ 0.4%
Dresses, total	567.7	530.1	+ 8.8
Girls', sub-teen & teenage	166.2	144.3	+ 15.2
Children's	271.4	258.5	+ 5.0
Infants' & toddlers'	139.1	127.3	+ 9.3

(continued)

VALUE OF PRODUCT SHIPMENTS

Children's & Girls' Wear

Shipments of Specified Types of Children's & Girls' Wear--1982, 1983
(Value in Millions of Dollars)
(continued)

	1983	1982	% Change 1983/1982
Blouses (excluding knit outerwear sport shirts), total	\$ 231.4	\$ 230.6	+ 0.3%
Girls', sub-teen & teenage	140.5	140.3	+ 0.1
Children's, infants' & toddlers'	90.9	90.3	+ 0.7
Knit outerwear sport shirts, except sweatshirts, total	450.4	438.7	+ 2.7
Girls', sub-teen & teenage	62.2	79.3	- 21.6
Children's	255.5	241.7	+ 5.7
Infants' & toddlers'	132.7	117.7	+ 12.7
Sweatshirts, total	7.4	7.6	- 2.6
Sweaters	61.8	55.3	+ 11.7
Coats, excluding coat & legging sets, total	36.6	38.5	+ 4.9
Girls', sub-teen & teenage	19.2	17.6	+ 9.1
Children's & infants'	17.4	20.9	- 16.7
Coat & legging sets, snowpants sets & ski & snow suits, total	34.8	46.3	- 24.8
Raincoats & raincapcs, total	4.2	6.7	- 37.3
Jackets	67.8	62.0	+ 9.3
Vests	1.6	2.2	- 27.3
Suits	24.3	26.3	- 7.6
Skirts	77.0	84.5	- 8.9
Slacks, incl. jean-cut casual slacks, total	232.3	232.2	--
Girls', sub-teen & teenage	87.3	92.9	- 6.0
Children's & infants'	145.0	139.3	+ 4.1
Jeans & dungarees, total	207.7	195.4	+ 6.3
Girls', sub-teen & teenage	91.8	76.6	+ 19.8
Children's & infants'	115.9	118.8	- 2.4
Shorts, total	84.6	75.4	+ 12.2
Girls', sub-teen & teenage	37.6	29.5	+ 27.4
Children's & infants'	47.0	45.9	+ 2.4
Playgarments, incl. playsuits & haltertops, total	390.9	367.2	+ 6.4
Girls', sub-teen & teenage	15.8	15.4	+ 2.6
Children's	119.2	95.4	+ 24.9
Infants' & toddlers'	255.9	256.4	- 0.2
Swimsuits	46.8	50.0	- 6.4
Panties, incl. pettipants, total	87.3	89.5	- 2.5
Girls' & children's	60.0	62.1	- 3.4
Infants' & toddlers'	27.3	27.4	- 0.4

(continued)

VALUE OF PRODUCT SHIPMENTS

Children's & Girls's Wear

Shipments of Specified Types of Children's & Girls' Wear--1982, 1983
(Value in Millions of Dollars)
(continued)

	1983	1982	% Change 1983/1982
Slips, vests & undershirts, total	\$ 78.6	\$72.3	+ 8.7%
Girls' & children's	30.8	29.5	+ 4.4
Infants' & toddlers'	47.8	42.8	- 11.7
Nightgowns, total	84.5	75.9	+ 11.3
Girls' & children's	56.0	53.3	+ 5.1
Infants' & toddlers'	28.5	22.6	+ 26.1
Pajamas, incl. heavyweight sleeping garments with feet, total	224.3	202.3	+ 10.9
Girls' & children's	66.1	58.1	+ 13.8
Infants' & toddlers'	158.2	144.2	+ 9.7
Robes, total	16.8	17.1	- 1.7

na not available

- * Hosiery and accessories such as hats, scarves, gloves, neckwear, etc., furs, and leather outerwear are not included as these items are not covered in Census Bureau CIR's.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear MA-23F(83)-1,
Underwear & Nightwear MA-23G(83)-1.

Boys' Wear

Shipments of Specified Types of Boys' Wear--1982, 1983
(Value in Millions of Dollars)

	1983	1982	% Change 1983/1982
Boys' wear, total of specified categories*	\$1,881.6	\$1,813.1	+ 3.8%
Suits, including casual & uniform	71.9	83.3	- 13.7
Overcoats, topcoats, & tailored suburban & car coats, including uniform	9.9	9.0	+ 10.0
Tailored suit-type dress & sport coats, including uniform	49.9	48.6	+ 1.8
Casual (nontailored) sport coats & jackets			
Separate vests, excluding sweater vests	1.3	1.9	- 31.6

(continued)

VALUE OF PRODUCT SHIPMENTS

Boys' Wear

Shipments of Specified Types of Boys' Wear--1982, 1983

(Value in Millions of Dollars)

(continued)

	1983	1982	% Change 1983/1982
Boys' wear, total of specified categories* (cont'd.)			
Dress shirts, including uniform	\$ 48.4	\$ 56.5	- 14.3%
Woven sport shirts	73.5	89.7	- 18.1
Knit sport shirts, except sweatshirts	474.1	410.2	+ 15.6
Sweaters including sweater vests, knit cardigans & pullovers	25.0	25.3	- 1.2
Separate dress & sport trousers, including uniform	106.3	100.7	+ 5.6
Jeans & dungarees	560.9	487.3	+ 15.1
Jean-cut casual slacks	142.0	137.4	+ 3.3
Shorts, except athletic shorts	20.4	23.9	- 14.6
Nontailored heavy outer jackets except ski	40.6	44.8	- 9.4
Nontailored light outer jackets	40.1	45.3	- 11.5
Coveralls, overalls, work pants & jumpsuits	35.3	29.4	+ 20.1
Pajamas & other nightwear, excluding robes	63.4	68.4	- 7.3
Lightweight undershirts with 1/4 sleeve, excluding T-shirts made for outerwear	44.3	65.7	- 32.6
Supporter-type knit briefs	74.7	85.2	- 12.3

* Hosiery and accessories, such as hats, scarves, gloves, neckwear, leather outerwear, etc., are not included as these items are not covered by the Commerce Department's Apparel report. As previously noted, other items not included above are combined with men's wear and are covered in pertinent men's wear Fact Files.

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's & Boys' Outerwear, MA23E(83)-1,
Underwear & Nightwear, MA23G(83)-1.

PRODUCER PRICES

Producer (factory) prices for girls', children's & infants' wear rose 2.6% from 1963 to 1984, higher than the reported increases for all items and for all apparel items. Boys' wear producer prices for jeans and casual slacks had relatively small increases, though these increases were higher than those from 1982 to 1983.

Producer Price Indexes For Children's Wear 1981-1984 (12/77 = 100 unless otherwise noted)

	<u>Annual Averages</u>				<u>% Change 1984/1983</u>
	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	
All items (1967 = 100)	310.3	303.1	299.3	293.4	+ 2.4%
All apparel (1967 = 100)	201.1	197.4	193.8	186.0	+ 1.9
Boys' wear					
Sport shirts	na	na	143.0	144.1	--
Denim jeans & jean-cut casual slacks (12/81 = 100)	103.8	102.1	100.5	na	+ 1.7
Jeans & jean-cut casual slacks of other fabrics (12/81 = 100)	100.9	99.5	99.2	na	+ 1.4
Work clothing, exc. jeans & work shirts (12/81 = 100)	na	102.9	99.9	na	--
Girls', children's & infants' wear (1967 = 100)	202.7	197.5	196.6	190.8	+ 2.6
Children's sport shirts	na	na	151.8	144.1	--
Children's dresses	na	na	116.1	117.3	--
Knee socks	na	140.5	137.3	131.4	--

na not available

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

Imports

The U.S. Bureau of the Census does not distinguish children's wear import data from totals recorded for all women's and men's wear products. The combined values are covered in specific women's wear Fact Files.

Exports

Value of Children's Wear Exports--1981-1984 (In Millions of Dollars)

	<u>1984(e)</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>% Change 1984/1983</u>
Children's Dresses & Blouses (SIC 2361)	\$10.7	14.4	14.1	20.6	- 25.7%
Children's Coats & Suits (SIC 2363)	\$ 6.6	2.7	1.5	2.1	+144.4

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration,
1985 U.S. Industrial Outlook.

THE SIZE OF THE MARKET

Births

The decade of the 1980's has witnessed a consistently high level in the number of births. This is a by-product of the big baby-boom (1946-1965), as women born in that period become mothers themselves. Though far short of the record number of births in one year--some 4.3 million in 1957--the birth total of around 3.6 million each year since 1980 is considerable. The Census Bureau has forecasted a peak birthrate of 3.9 million by the end of the decade and then a sustained level of 3.7 million births a year into the early 1990's.

Beyond the sheer number of new arrivals that need to be clothed, a key element of consumer expenditures on children's wear is the very high percentage of this total that are the first children born to a household. The first born traditionally receives new clothes, new toys, etc., while later children accept hand-me-downs. One study reports that parents will spend as much as a third more on their first child than on the second.

And these new parents clearly have the money to indulge their children. With the trend toward waiting longer to have children, couples have a chance to establish their careers and, subsequently, achieve more earning power. In 1970, only 19% of women had their first child after age 25. By 1982, the rate had grown to 36% and has not, as yet, begun to taper off. The parents now doing the spending are, most likely, a two-income family. The well documented jump in the number of working mothers is marked by the fact that nearly half of all mothers return to work within one year of their child's birth.

Live Births in the U.S., Birth Rates & Fertility Rates, 1980-1984

<u>Year</u>	<u>Number (thous.)</u>	<u>Birth Rate*</u>	<u>Fertility Rate**</u>
1984(p)	3,697.0	15.7	66.0
1983(p)	3,614.0	15.5	65.4
1982	3,680.5	15.9	67.3
1981	3,629.2	15.8	67.4
1980	3,612.3	15.9	68.4

(p) provisional

* Live births per 1,000 population

** Live births per 1,000 women 15-44 years of age.

Source: U.S. Dept. of Health & Human Services,
National Center for Health Statistics,
Advance Report of Final Natality Statistics
(Vol. 33, No. 6, Sept. 1984).

Total Youth Population

The spurt in the birthrate in recent years has swelled the nation's population of those under 5 years of age to 17.8 million in 1984, an 8.3% increase since 1980. As this segment of the population ages, reported declines in the population of the other children's age groupings will be erased.

THE SIZE OF THE MARKET

Total Youth Population

Trends In The Size of The Children's & Boys' Wear Markets, 1980, 1984 (Numbers in Thousands)

	1984	1980(r)	<u>% of Total Population</u>		<u>% Change 1984/1980</u>
			1984	1980	
Total, 16 & younger	59,021	59,462	24.9%	26.1%	- 0.7%
Under 5 years	17,816	16,454	7.5	7.2	+ 8.3
5 to 9 years	16,351	16,601	6.9	7.3	- 1.5
10 to 14 years	17,567	18,241	7.4	8.0	- 3.7
15 to 16 years	7,287	8,166	3.1	3.6	- 10.8

(r) revised

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 965 (March 1985)

Population projections by the Bureau of the Census indicate large growth in the number of 5 to 9 year olds by 1990 and in the number of 10 to 14 year olds by 1995. These groups will account for an increasing proportion of the U.S. population by the mid to late 1990's. By the turn of the century, the population of those under 5 years of age will have peaked as women of the baby-boom generation pass their prime childbearing years.

The U.S. Youth Population (Through Age 16) Projections to 2000*

	<u>Number (thousands)</u>				<u>% Change 2000/1985</u>	<u>Percent of Total Population</u>			
	1985	1990	1995	2000		1985	1990	1995	2000
Total, all ages	238,631	249,657	259,559	267,955	+ 12.3%	100.0%	100.0%	100.0%	100.0%
Youth, 16 years & younger	59,271	61,026	63,816	63,603	+ 7.3	24.8	24.4	24.6	23.7
Male	30,313	31,219	32,650	32,544	+ 7.4	12.7	12.5	12.6	12.1
Female	28,956	29,807	31,167	31,056	+ 7.2	12.1	11.9	12.0	11.6
Under 5 years	18,453	19,198	18,615	17,626	- 4.5	7.7	7.7	7.2	6.0
Male	9,444	9,827	9,529	9,022	- 4.5	4.0	3.9	3.7	3.4
Female	9,009	9,371	9,086	8,604	- 4.5	3.8	3.7	3.5	3.2
5 to 9 years	16,611	18,591	19,337	18,758	+ 12.9	7.0	7.4	7.5	7.0
Male	8,493	9,511	9,895	9,599	+ 13.0	3.6	3.8	3.8	3.6
Female	8,117	9,080	9,443	9,159	+ 12.8	3.4	3.6	3.6	3.4

(continued)

THE SIZE OF THE MARKET

Total Youth Population

The U.S. Youth Population (Through Age 16) Projections to 2000* (continued)

	<u>Number (thousands)</u>				<u>% Change</u> <u>2000/1985</u>	<u>Population</u>			
	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>		<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
10 to 14 years	16,797	16,793	18,772	19,519	+ 16.2	7.0	6.7	7.2	7.3
Male	8,590	8,586	9,602	9,986	+ 16.2	3.6	3.4	3.7	3.7
Female	8,207	8,207	9,170	9,532	+ 16.1	3.4	3.3	3.5	3.6
15 & 16 years	7,410	6,444	7,092	7,700	+ 3.9	3.1	2.6	2.7	2.9
Male	3,786	3,295	3,624	3,937	+ 4.0	1.6	1.3	1.4	1.5
Female	3,623	3,149	3,468	3,761	+ 3.8	1.5	1.3	1.3	1.4

* Representing the middle in a series of three projections compiled by the Census Bureau, based on varying assumptions on future trends in fertility, mortality and immigration.

Source: U.S. Bureau of the Census,
Current Population Reports, Series P-25,
No. 952 (May 1984).

The Youth Population of the U.S. By Single Years of Age & By Sex, 1984 & 1990 (Numbers in Thousands)

	<u>1984 Total</u>			<u>1990 Total*</u>		
	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>
Youth, 16 years & younger, total	59,021	30,201	28,821	61,026	31,219	29,807
Under 5 years	17,816	9,115	8,702	19,198	9,827	9,371
Under 1 year	3,637	1,861	1,775	3,832	1,962	1,870
1 year	3,547	1,817	1,730	3,847	1,969	1,878
2 years	3,542	1,811	1,731	3,851	1,971	1,880
3 years	3,556	1,818	1,738	3,843	1,967	1,876
4 years	3,535	1,808	1,727	3,825	1,957	1,867
5 to 9 years	16,351	8,367	7,984	18,591	9,511	9,080
5 years	3,403	1,739	1,664	3,797	1,943	1,854
6 years	3,299	1,687	1,612	3,761	1,924	1,836
7 years	3,334	1,707	1,626	3,717	1,902	1,815
8 years	3,085	1,579	1,506	3,681	1,882	1,799
9 years	3,230	1,654	1,576	3,635	1,860	1,776

(continued)

THE SIZE OF THE MARKET

Total Youth Population

The Youth Population of the U.S.
By Single Years of Age & By Sex, 1984 & 1990
 (Numbers in Thousands)
 (continued)

	<u>1984 Total</u>			<u>1990 Total*</u>		
	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>
10 to 14 years	17,567	8,994	8,573	16,793	8,586	8,207
10 years	3,230	1,656	1,575	3,610	1,845	1,765
11 years	3,286	1,681	1,606	3,409	1,743	1,665
12 years	3,481	1,955	1,701	3,281	1,677	1,604
13 years	3,817	1,955	1,862	3,299	1,687	1,611
14 years	2,752	1,923	1,830	3,195	1,633	1,562
15 & 16 years	7,287	3,725	3,562	6,444	3,295	3,149
15 years	3,684	1,884	1,801	3,257	1,666	1,591
16 years	3,603	1,841	1,761	3,187	1,629	1,558

* Middle series projections.

Source: U.S. Bureau of the Census,
Current Population Reports,
 Series P-25, No. 952 (May 1984),
 No. 965 (March 1985).

Youth Population of the U.S. by Size of Family: 1980 & 1983
 (Numbers in Thousands)

	<u>1983</u>	<u>1980</u>	<u>% Change</u> <u>1983/1980</u>	<u>% of Total</u> <u>1983</u>
All families, total	61,393	58,426	+ 5.1%	100.0%
No children under 18	30,575	27,909	+ 9.5	49.8
With children under 18	30,812	30,517	+ 1.0	50.2
1 child under 18	12,854	12,231	+ 5.1	20.9
2 children under 18	11,470	11,280	+ 1.7	18.7
3 or more children under 18	6,494	7,006	- 7.3	10.6
No children under 6	47,593	45,303	+ 5.0	77.5
With children under 6	13,800	13,121	+ 5.2	22.5
1 child under 6	9,477	9,193	+ 3.1	15.4
2 children under 6	3,690	3,363	+ 9.7	6.0
3 or more children under 6	634	565	+ 12.2	1.0
No children under 3	53,061	50,500	+ 5.1	86.4
With children under 3	8,332	7,926	+ 5.1	13.6
1 child under 3	7,252	7,016	+ 3.4	11.8
2 children under 3	1,043	876	+ 19.1	1.7
3 or more children under 3	37	33	+ 12.1	0.06

Source: U.S. Bureau of the Census,
Current Population Reports, Series P-20,
 No. 366 (September 1981) and No. 388 (May 1984)

THE SIZE OF THE MARKET

Total Youth Population

Children Under 18 Years of Age (Boys & Girls) By Type of Family & Employment Status of Mother

	<u>Age 6 to 17</u>	<u>Under 6</u>
Total children under 18*	100.0%	100.0%
Mother in labor force	60.3	48.2
In married couple families	77.5	82.5
Mother in labor force	46.4	40.4
Mother not in labor force	31.1	42.1
In families maintained by women (divorced, single, etc.)	20.3	15.6
Mother in labor force	13.9	7.9
Employed	11.9	6.2
Not employed	2.0	1.7
Mother not in labor force	6.4	7.7
In families maintained by men (divorced, single, etc.)	2.2	1.9

* Defined as "own" children. Excluded are grandchildren, nieces, cousins, etc. and unrelated children.

Source: Bureau of Labor Statistics data for March 1984.

Families with Children Under 18 Years of Age (Boys & Girls) By Number of Children & Number of Earners

	<u>Total</u>	<u>Number of Children Under 18</u>			
		<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four or More</u>
Total families (000)	31,426	13,126	11,860	4,480	1,960
Percent	100.0	100.0	100.0	100.0	100.0
With no earners	7.7	6.8	6.9	8.7	16.2
With one earner	35.9	33.4	36.8	39.0	39.7
With two or more earners	56.4	59.8	56.3	52.3	44.1
Percent of families by number of children under 18	100.0	41.8	37.7	14.3	6.2

Source: Bureau of Labor Statistics data for March 1984

THE SIZE OF THE MARKET

School Enrollment

The jump in the rate of school enrollment, particularly among younger children, offers retailers a very attractive market, both in terms of numbers and in buying power. Back-to-school purchases are an essential element in contributing to the financial health of the children's wear industry. Therefore, changes in the pattern of school enrollment are watched rather carefully.

Not only do younger children represent a larger share of the entire children's wear market now than in past years, but the number of little boys and girls being outfitted for school has risen significantly over the past decade. For example, nearly 37% of little girls 3-4 years old--over 1.3 million--will be enrolled in nursery school, up from 35.5% in 1980 and 32.1% in 1975. The 1970 enrollment was less than 20%. And, as was discussed in detail in the section on Births, the parents of these children have the money and the inclination to see that their children go to school well clothed.

Percentages of Children 3 to 17 Years Old Enrolled in School, 1975, 1980-1983

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1975</u>
Children, 3-17 years					
3-4 years	37.5%	36.4%	36.0%	36.7%	31.5%
5-6 years	95.4	95.0	94.0	95.7	94.7
7-13 years	99.2	99.2	99.2	99.3	99.3
14-17 years	95.0	94.4	94.1	93.4	93.6
Boys, 3-17 years					
3-4 years	38.1%	36.4%	36.8%	37.8%	30.9%
5-6 years	95.1	94.7	94.2	95.0	94.4
7-13 years	99.1	99.1	99.1	99.2	99.0
14-17 years	95.1	94.9	94.3	93.7	94.6
Girls, 3-17 years					
3-4 years	36.9%	36.4%	35.2%	35.5%	32.1%
5-6 years	95.8	95.3	93.8	96.4	95.1
7-13 years	99.3	99.3	99.4	99.3	99.6
14-17 years	94.9	94.0	93.9	93.1	92.6

Source: U.S. Bureau of the Census,
Current Population Reports, Series P-20,
No. 394 (October 1984)

THE SIZE OF THE MARKET

Youth Population by Region

The West will be the fastest growing region of the country in youth population (as well as total population) for the rest of the century, based on projections issued by the Census Bureau. This region leads in growth from 1980 to 2000 for all five youth population age brackets. Growth is forecast at 33.5% for under 5 year olds, 48.1% for 5 to 9 year olds, 40.3% for 10 to 14 year olds, 16.3% for 15 to 19 year olds and 33.6% for all those 19 years old and younger.

The South, while second to the West in terms of growth, leads the way in sheer numbers. There are more of all five youth groups in the South, both presently and, it is projected, through 2000. This region alone accounts for more than a third of the U.S. youth population. The Northeast and North Central regions will have diminishing shares of the market, yet the North Central will still maintain a significant proportion.

Projections of the U.S. Youth Population by Region: 1980 to 2000 (In Thousands)

	Total Population	Under 5 Years	5 to 9 Years	10 to 14 Years	15 to 19 Years	<u>19 & Younger</u> Total	% by Region
<u>1980</u>							
U.S. Total	226,505	16,344	16,697	18,241	21,162	72,444	100.0%
Northeast	49,137	3,103	3,330	3,950	4,523	14,906	20.6
North Central	58,854	4,379	4,427	4,803	5,606	19,215	26.5
South	75,349	5,540	5,778	6,133	7,118	24,569	33.9
West	43,165	3,322	3,161	3,355	3,915	13,753	19.0
<u>1990</u>							
U.S. Total	249,203	19,200	18,599	16,776	16,895	71,470	100.0%
Northeast	48,423	3,296	3,155	2,990	3,142	12,583	17.6
North Central	60,265	4,786	4,635	4,207	4,161	17,789	24.9
South	87,594	6,736	6,553	5,967	6,179	25,435	35.6
West	52,920	4,382	4,256	3,612	3,413	15,663	21.9
<u>2000</u>							
U.S. Total	267,462	17,624	18,757	19,519	18,888	74,788	100.0%
Northeast	46,401	2,661	2,888	3,127	2,979	11,655	15.6
North Central	59,714	4,035	4,302	4,519	4,344	17,200	23.0
South	98,828	6,491	6,886	7,166	7,009	27,552	36.8
West	62,519	4,436	4,682	4,706	4,555	18,379	24.6

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 937.

RETAIL SALES

The children's wear market, buoyed by the favorable demographic developments mentioned in the preceding section, and by the overall strength of the U.S. economy, has experienced a resurgence at the retail level. Consumer expenditures rose 10.1% in 1984 from the year before. This trend has continued into 1985. A national survey by Women's Wear Daily (April 22, 1985) reports strong children's wear sales activity for March and promising results for April as well. March increases ranged up to 30% for New York area stores and up to 20% for West Coast outlets. Dress sales, particularly upscale styles, led the way.

The U.S. Department of Agriculture has conservatively estimated the total costs of what a family will spend to raise a child through the first five years at \$21,041. Housing, of course, is the largest component but clothing expenses are considerable. Clothing sales, in fact, are projected as the fastest growing segment of the children's market, perhaps more than doubling within five years.

In 1983, sales of preschool apparel hit record highs, increasing by about 15%. The high end of this market continues to do well, in spite of aggressive price competition by retailers, partly as a result of the large number of gift purchases. Apparel remains the most important back-to-school category by far, accounting for 56% of such purchases in 1984. Sales of apparel for older children has been less stable, reflecting the mixed results that adult designers have encountered when entering the children's wear market.

RETAIL SALES BY STORE TYPE

Today's parents, with the capability of spending more on their children than their parents spent on them, are encountering "everyday low price" promotional programs by retailers as the stores strive to maintain their market shares. The continued spread of off-price outlets is having a ripple effect throughout the industry as more traditional children's wear retailers cut their margins to remain price competitive.

Perhaps the best known of the off-pricers is Kids "R" Us, which started out with two stores in 1983, added eight more in 1984, and will open about 15 more in 1985. The formula that has enabled this chain to become a marketing force in the New York-New Jersey-Philadelphia area is basic: provide a wide selection, maintain a deep inventory, and sell at a discount. Having a large assortment is a necessity as today's parents tend to have less time to spend their two incomes. A store that can offer many types of brand-name apparel classifications in a variety of sizes, as well as accessories such as costume jewelry, bags and hats, has an important advantage.

The following tables, much of it based on preliminary data from the 1982 census of retail trade, show developments in children's wear retailing since the last census in 1977. Information on sales by merchandise line will not be released by the Census Bureau until late 1985. However, data collected through other sources, including consumer panel operations, cover this subject in the Buying Habits section of this Fact File.

In the census reports, each store location is separately counted, regardless of ownership. (Company information will be released by the Census Bureau at a later date). Leased departments are counted as separate stores.

RETAIL SALES BY STORE TYPE

Children's & Infants' Wear Stores

Preliminary figures from the 1982 census of retail trade indicate growth in the number of children's and infants' wear stores, their sales and their annual payrolls. The inflation that has occurred over the 1977-1982 period should be considered as an important factor when making such comparisons.

Children's & Infants' Wear Stores, 1977, 1982

(Includes only stores with payrolls)

	<u>1982</u>	<u>1977(r)</u>	<u>% Change 1982/1977</u>
Number of stores*	5,323	4,367	+ 21.9%
Sales (mil. \$)	\$1,367.9	\$ 708.0	+ 93.2
Annual payroll (mil. \$)	173.6	98.8	+ 75.7

(r) revised

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade
(Preliminary), RC82-SUM-1(P).

Apparel Specialty Stores

Preliminary figures in the 1982 Census of Retail Trade show the extent to which infants', toddlers', girls' and boys' wear items are sold in apparel specialty stores, in particular women's ready-to-wear stores, family clothing stores, and men's and boys' clothing and furnishings stores. The following show trends in these store types compared with the previous census in 1977. Data is in current dollars, not adjusted for price changes over this period.

Women's Ready-To-Wear Stores, 1977, 1982

(Includes only stores with payroll)

	<u>1982</u>	<u>1977(r)</u>	<u>% Change 1982/1977</u>
Number of stores*	44,084	40,227	+ 9.6%
Total sales (mil. \$)	\$20,310.8	\$12,343.7	+ 64.5
Infants', toddlers', girls' & subteen clothing & accessories sales (mil. \$)	\$ 385.9	\$ 419.7	- 8.1
% of total store sales	1.9%	3.4%	--

(r) revised

RETAIL SALES BY STORE TYPE

Apparel Specialty Stores

Family Clothing Stores, 1977, 1982 (Includes only stores with payroll)

	<u>1982</u>	<u>1977(r)</u>	<u>% Change 1982/1977</u>
Number of stores*	17,899	16,025	+ 11.7%
Total sales (mil. \$)	\$13,471.4	\$ 7,801.0	+ 72.7
Infants', toddlers', girls' & subteen clothing & accessories sales (mil. \$)	\$ 781.3	\$ 507.1	+ 54.1
% of total store sales	5.8%	6.5%	--
Boys' & young men's wear & accessories sales (mil. \$)	\$ 673.6	\$ 436.9	+ 54.2
% of total store sales	5.0%	5.6%	--

(r) revised

Men's & Boys' Clothing & Furnishings Stores, 1977, 1982 (Includes only stores with payroll)

	<u>1982</u>	<u>1977(r)</u>	<u>% Change 1982/1977</u>
Number of stores*	17,426	21,093	- 17.4%
Total sales (mil. \$)	\$ 7,685.8	\$ 6,937.1	+ 10.8
Boys' & young men's wear & accessories sales (mil. \$)	307.4	388.5	- 20.9
% of total store sales	4.0%	5.6%	--

(r) revised

Source for previous three tables: U.S. Bureau of the Census,
1982 Census of Retail Trade
(Preliminary), RC82-I-15, 16, 17(P).

Department Stores

The Department of Commerce estimates that department store sales reached \$129.3 billion in 1984, a gain of 10.9% from the year before. The latest count on the actual number of department stores (including discount department stores) nationally is contained in the 1982 census of retail trade. It indicates that there are 10,035 establishments, an increase of 13.9% from the 1977 census. Figures from the 1982 census showing sales for merchandise lines of children's wear have not yet been released. The previous census has department stores accounting for 64.2% of infants' and toddlers' wear sales, 63.9% of girls' and subteens' wear sales, and 70.2% of boys' wear sales (dollar volume).

RETAIL SALES BY STORE TYPE

Department Stores

Merchandising & Operating Results of Girls' Wear Departments In Department Stores With Total Annual Sales Over \$1 Million, 1983 (Typical Results)

	<u>Girls' Clothing By Size Group</u>				
	3 to 6X	7 to 14	6 to 16 or 8 to 14	Apparel Accessories	Intimate Apparel
Net sales, % change from last year	+ 12.9%	+ 5.7%	- 4.3%	+ 9.5%	+ 1.1%
Sales, % of merchandise division	7.1	14.3	4.7	7.0	4.0
Sales, % of total store sales	0.5	1.0	0.3	0.6	0.3
\$ sales per square foot of selling space	\$ 92.0	\$101.0	\$ 65.0	\$111.8	\$ 64.0
Cumulative markon %	51.2%	51.2%	51.2%	51.2%	51.1%
Gross margin, % of sales (incl. cash discounts)	44.1	43.6	40.9	45.3	45.2
Markdowns, retail, % of sales	20.4	20.4	25.6	12.0	15.4
Returns, % of sales	9.9	9.4	10.6	3.5	4.3
Number of stock turns	3.9	3.8	2.9	2.7	2.6
Salespeople's salaries, % of sales	7.5	7.7	7.5	7.5	7.4
Sales promotion costs, % of sales	3.9	3.2	3.0	2.6	4.1

Merchandising & Operating Results of Boys' Wear Departments In Department Stores With Total Annual Sales Over \$1 Million, 1983 (Typical Results)

	<u>Boys' Clothing By Size Group</u>			
	Size 2 to 6X or 8	4 to 12 or 4 to 16	13 to 20 & 32 to 44	Boys' Furnishings (All Ages)
Net sales, % change from last year	+ 11.2%	+ 3.5%	+ 8.8%	+ 6.4%
Sales, % of merchandise division	6.6	14.6	23.3	13.0
Sales, % of total store sales	0.5	1.2	2.2	0.9
\$ sales per square foot of selling space	\$ 81.7	\$ 96.8	\$121.0	\$ 103.1
Cumulative markon %	49.9%	48.8%	47.5%	49.9%
Gross margin, % of sales (incl. cash discounts)	42.5	38.2	37.7	43.7
Markdowns, retail, % of sales	17.7	18.1	15.7	14.3
Returns, % of sales	8.3	9.7	10.4	7.1
Number of stock turns	3.2	2.6	3.2	2.8
Salespeople's salaries, % of sales	7.4	7.9	5.8	7.2
Sales promotion costs, % of sales	3.2	2.8	2.7	3.8

Source: National Retail Merchants Association,
Merchandising and Operating Results of 1983, (1984 Edition).

RETAIL SALES BY STORE TYPE

Seasonal Pattern

Percent of Households Purchasing Infants' & Children's Wear by Month

Month	<u>Infants' Wear</u>		<u>Girls' Wear</u>	<u>Boys' Wear</u>
	<u>Girls'</u>	<u>Boys'</u>		
January	2.0%	1.8%	11.9%	12.0%
February	1.8	1.3	10.3	10.7
March	2.0	1.9	12.7	12.9
April	2.1	1.7	13.6	13.8
May	1.7	1.7	12.4	11.9
June	1.6	1.5	11.9	12.5
July	1.9	1.5	14.0	13.9
August	1.8	1.7	15.5	18.6
September	1.7	1.6	12.7	13.6
October	2.6	2.4	12.7	13.8
November	2.4	2.0	15.0	15.0
December	2.8	2.7	17.2	19.7
In average month	2.0	1.8	14.4	14.0

Source: Newspaper Advertising Bureau,
1985 Newspaper Advertising Planbook

RETAIL ADVERTISING

Monthly Distribution of Retailers' Newspaper Advertising Linage, 1982

	<u>Girls' Sportswear & Accessories</u>	<u>Boys' Outer Apparel</u>	<u>Girls' & Teens' Dresses</u>
January	4.0%	3.0%	2.2%
February	6.6	6.5	2.8
March	7.3	12.1	22.9
April	6.8	8.1	15.4
May	7.9	3.0	8.1
June	4.6	1.5	2.5
July	8.7	6.8	5.2
August	23.3	28.2	19.8
September	6.0	5.6	2.8
October	7.2	8.3	2.5
November	8.0	8.0	4.6
December	9.6	8.9	11.2
Total lineage	100.0	100.0	100.0

Source: The Advertising Checking Bureau, 1982,
1985 Newspaper Advertising Planbook.

CONSUMER PRICE TRENDS

Consumer prices for all specified children's wear categories, with one exception, registered smaller price gains in 1984 than the rate recorded for all items. Only the boys' coats, jackets, sweaters, and shirts group had an increase (5.4%) higher than that of the all item category (4.3%).

The total apparel group had a price increase of 1.3% for 1984 at the consumer level. All girls' apparel categories fell below this rate, with prices for girls' separates and sportswear actually declining for the year. Prices for infants' and toddlers' apparel rose only slightly above that for total apparel. The boys' apparel category rose 1.7% as a whole, but had one declining category-- boys' suits, trousers, sport coats, and jackets.

Consumer Price Indexes For Children's Wear, 1981-1984 (Dec. 1977 = 100, unless otherwise indicated)

	Annual Averages				% Change 1984/1983
	1984	1983	1982	1981	
All items (1967=100)	311.1	298.4	289.1	272.4	+ 4.3%
All apparel commodities (1967=100)	187.0	184.5	181.0	177.7	+ 1.3
Boys' apparel	125.1	123.0	118.8	115.3	+ 1.7
Coats, jackets, sweaters, & shirts	122.0	115.7	110.6	108.4	+ 5.4
Furnishings	136.9	135.0	131.0	123.3	+ 1.4
Suits, trousers, sport coats & jackets	122.9	124.0	120.3	117.5	- 0.9
Girls' apparel	108.1	108.1	107.1	107.1	--
Coats, jackets, dresses, & suits	100.7	99.8	99.2	100.5	+ 0.9
Separates & sportswear	103.6	104.8	105.4	107.6	- 1.1
Underwear, nightwear, hosiery & accessories	128.7	127.9	123.4	117.0	+ 0.6
Infants' & toddlers' apparel (1967 = 100)	287.0	282.7	269.4	259.8	+ 1.5

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

CONSUMER BUYING HABITS

Sales trends reported by MRCA Information Services show a small increase in units of apparel purchased for girls under 16 years of age during the third quarter of 1984 as compared with the same 1983 period. Conversely, dollar outlays for apparel during the three months was somewhat lower, indicating a preference by consumers for taking advantage of the many promotional opportunities available to them. The information is based on the findings of continuous tracking studies by MRCA among 11,500 nationally representative U.S. households.

Consumer Purchases of Apparel for Girls Under 16 Years of Age July-September 1983 & 1984

	<u>% Change 1984/1983</u>	
	<u>Units</u>	<u>Dollars</u>
Outerwear (coats, jackets)	+ 6.8%	- 3.2%
Dresses	+13.1	+10.8
Skirts	+ 1.1	-11.7
Pants	+21.9	+13.7
Jeans	- 5.2	- 2.6
Shorts	+27.7	+25.8
Blouses, shirts	- 3.5	- 9.4
Sweaters	-11.1	-10.1
Underwear	- 3.8	- 0.6
Sleepwear, robes	+ 3.7	+ 3.9
Legwear	+ 0.2	- 1.1
Accessories (incl. separate vests)	+ 5.8	+ 8.3
Total	+ 0.4	- 2.0

Source: MRCA Information Services,
(Women's Wear Daily, March 11, 1985).

In August 1984, the Gallup Organization conducted a nationwide survey among 11-14 year old boys and girls. The purpose was to ascertain the group's attitudes regarding apparel purchasing. The survey, undertaken for Apparel Merchandising, reflects key distinctions in purchasing habits depending on sex and age.

Ranking of Important Factors In Buying Apparel

<u>Factor determining purchase</u>	<u>Sex of Respondent</u>		<u>Age of Respondent (both sexes)</u>			
	<u>Boys</u>	<u>Girls</u>	<u>Age 11</u>	<u>Age 12</u>	<u>Age 13</u>	<u>Age 14</u>
Style	32.9%	29.7%	26.3%	26.5%	35.2%	38.5%
Price	20.5	22.5	23.2	23.6	22.9	16.3
Fit	15.7	21.1	17.2	25.5	9.5	21.2
Comfort	12.9	14.4	19.2	8.2	19.0	8.7
Quality	8.1	6.2	7.1	6.4	7.6	7.7
Color	4.3	0.5	2.0	5.5	1.0	--
Brand name	4.3	5.7	6.1	4.5	3.8	7.7
All	0.5	--	--	--	1.0	--
None	1.0	--	--	1.8	--	--

Note: Totals add to more than 100% due to multiple responses.

Source: The Gallup Organization (Apparel Merchandising, November 1984).

CONSUMER BUYING HABITS

Ranking of Considerations About Apparel Fit

<u>Problems with fit</u>	<u>Sex of Respondent</u>		<u>Age of Respondent (both sexes)</u>			
	<u>Boys</u>	<u>Girls</u>	<u>Age 11</u>	<u>Age 12</u>	<u>Age 13</u>	<u>Age 14</u>
Not available in size	23.8%	30.1%	28.8%	33.3%	29.2%	15.8%
Clothes are too small	24.6	11.2	21.2	17.9	16.7	12.3
Clothes are too big	13.8	20.3	19.7	16.7	11.1	21.1
Clothes are too short	9.2	18.9	13.6	14.1	13.9	15.8
Clothes are too long	8.5	16.8	16.7	9.0	9.7	17.5
Clothes may shrink	0.8	--	--	--	--	1.8
Other	23.1	25.9	15.2	23.1	40.2	19.3

Note: Totals add to more than 100% due to multiple responses.

Source: The Gallup Organization (Apparel Merchandising, November 1984).

An analysis of the trend in consumer purchases of children's wear, based on information compiled by the Market Research Corporation of America, has been reported by Kurt Salmon Associates in its Soft Goods Outlook for 1985.

Percentage Change In Units of Children's Wear Purchased by Consumers, 1981-1985

	<u>Projected 1985/1984</u>	<u>1984/1983</u>	<u>1983/1982</u>	<u>1982/1981</u>
Boys' Wear				
(ages 15 & under)	--	- 1.1%	+ 0.1%	- 4.0%
Non-tailored outerwear	--	6.0	+ 16.0	- 6.0
Woven sport shirts	+ 5.0%	- 9.0	- 5.0	- 20.0
Knit sport shirts	- 2.0	- 2.0	- 2.0	+ 3.0
Slacks	+ 15.0	+ 30.0	+ 5.0	- 10.0
Jeans	- 5.0	- 5.0	- 10.0	- 5.0
Underwear	--	- 4.0	+ 1.0	- 3.0
Girls' Wear				
(ages 15 & under)	+ 1.0	+ 1.4	+ 4.0	- 3.0
Non-tailored outerwear	- 5.0	- 19.0	+ 20.0	+ 6.0
Dresses	+ 4.0	+ 9.0	- 1.0	- 3.0
Blouses & shirts	--	- 2.0	+ 3.0	- 2.0
Slacks	+ 12.0	+ 18.0	- 3.0	+ 2.0
Jeans	- 5.0	- 3.0	- 9.0	- 14.0
Nightwear	--	+ 4.0	+ 2.0	- 2.0

Source: Kurt Salmon Associates,
Soft Goods Outlook for 1985.

CONSUMER BUYING HABITS

Children's/Infants' Wear

From 1981 to 1983, there has been a discernable shift in the unit movement of children's and infants' wear, based upon research by Chain Store Age. The decline of variety store sales has led to somewhat larger slices of the market for other store types.

Market Share by Units, 1981-1983

<u>Store Types</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Big 3 (Sears, Penney, Ward)	22.3%	21.2%	20.5%
Specialty stores	21.0	22.2	21.9
Discount stores	19.5	17.7	17.4
Department stores	18.0	18.7	2.5
Mail-order catalog	13.0	13.8	13.5
Variety stores	2.2	2.3	19.1
Others	4.0	4.1	5.1

Source: Chain Store Age, July 1982, 1983, 1984.

Boys' & Girls' Wear

Information on purchase patterns for boys' and girls' wear for 1982 has been supplied by NPD Special Industry Services, one of the NPD Group of Marketing & Research Companies, Port Washington, New York. The data is based on reports from an on-going monthly panel diary tracking the purchases of 6,500 nationally representative families.

(Note: The "boys" classification covers boys 16 years and younger, while the "girls" classification covers girls 13 years and younger.)

Boys' Wear

Distribution of Reported Boys' Wear Purchases by Type of Retail Outlet, 1982 (Percent of Units Purchased)

	<u>Sport Coats</u>	<u>Suits</u>
National chains	28.0%	44.5%
Department stores	31.5	20.8
Discount stores, incl. K mart	19.4	19.4
Specialty stores	11.6	13.9
Other store types	9.5	1.5

Source: NPD Special Industry Services, Inc.

CONSUMER BUYING HABITS

Boys' Wear

Distribution of Boys' Coat Purchases by Type of Outlet, 1982 (Percent of Units Purchased)

	<u>Jackets</u>	<u>All-Weather Coats</u>	<u>Raincoats</u>
National chains	28.2%	28.4%	31.2%
Department stores	18.3	12.1	15.0
Discount stores & K mart	31.4	28.0	33.0
Specialty stores	11.3	22.7	5.4
Other store types	10.8	8.8	15.4

Distribution of Boys' Pants Purchases by Store Type 1982 (Percent of Units Purchased)

	<u>Corduroy Jeans</u>	<u>Denim Jeans</u>	<u>Corduroy Slacks</u>	<u>Non-corduroy Slacks</u>
National chains	25.6%	31.0%	24.4%	24.8%
Department stores	22.9	17.0	18.9	22.8
Discounters, incl. K mart	18.8	30.4	32.4	29.7
Specialty stores	23.6	13.4	19.6	16.3
Other store types	8.2	8.2	4.8	6.4

Distribution of Boys' Underwear/Loungewear Purchases by Store Type, 1982 (Percent of Units Purchased)

	<u>Undershorts</u>	<u>Undershirts</u>	<u>Pajamas/ Sleepwear Sets</u>	<u>Robes</u>
National chains	26.4%	26.4%	38.5%	35.5%
Department stores	13.8	11.0	16.2	17.2
Discounters, incl. K mart	43.1	43.2	33.6	39.1
Specialty stores	4.1	6.2	5.7	5.1
Other store types	12.6	13.2	6.0	3.1

Distribution of Boys' Shirt/Sweater Purchases by Store Type, 1982 (Percent of Units Purchased)

	<u>Sweatshirts</u>	<u>Polo Shirts</u>	<u>Sport Shirts</u>	<u>Dress Shirts</u>	<u>Sweaters</u>
National chains	21.2%	23.8%	25.3%	23.7%	21.8%
Department stores	16.6	19.9	20.7	18.4	28.2
Discount store, incl. K mart	42.1	34.0	33.4	36.1	29.1
Specialty stores	9.2	11.9	11.2	13.0	12.0
Other store types	10.9	10.4	9.4	8.8	8.9

Source: NPD Special Industry Services, Inc.

CONSUMER BUYING HABITS

Girls' Wear

Distribution of Girls' Dress/Shirt Purchases by Store Type, 1982 (Percent of Units Purchased)

	<u>Dresses</u>	<u>Skirts</u>
National chains	16.9%	24.0%
Department stores	32.6	22.1
Discount stores, incl. K mart	25.2	29.4
Specialty stores	17.5	17.5
Other store types	7.8	7.0

Distribution of Girls' Tops by Type of Outlet, 1982 (Percent of Units Purchased)

	<u>Shirts/ Blouses</u>	<u>Other Tops</u>	<u>Sweatshirts</u>	<u>Sweaters</u>
National chains	23.6%	28.5%	23.7%	21.9%
Department stores	21.6	19.2	14.6	23.1
Discount stores, incl. K mart	29.0	34.7	32.3	29.8
Specialty stores	18.6	14.4	14.8	17.5
Other store types	7.2	3.2	14.6	7.7

Distribution of Girls' Coat Purchases by Type of Outlet, 1982 (Percent of Units Purchased)

	<u>Jackets</u>	<u>All Weather Coats</u>	<u>Raincoats</u>
National chains	22.9%	19.0%	32.9%
Department stores	18.8	29.9	14.9
Discount stores, incl. K mart	34.1	39.5	29.5
Specialty stores	17.8	4.2	13.7
Other store types	6.4	7.4	9.0

Distribution of Girls' Purchases by Type of Outlet, 1982 (Percent of Units Purchased)

	<u>Total Slacks</u>	<u>Corduroy Slacks</u>	<u>Non-corduroy Slacks</u>	<u>Denim Jeans</u>	<u>Corduroy Jeans</u>
National chains	25.6%	25.2%	25.9%	22.1%	18.8%
Department stores	18.9	19.2	18.8	17.9	28.7
Discounters, incl. K mart	29.6	26.7	31.4	34.6	23.3
Specialty stores	19.5	21.5	18.3	17.0	23.1
Other store types	6.4	7.4	5.6	8.4	6.1

Source: NPD Special Industry Services, Inc.

CONSUMER BUYING HABITS

Girls' Wear

Distribution of Girls' Suit Purchases by Type of Outlet, 1982
(Percent of Units Purchased)

	<u>Suits</u>	<u>Pantsuits</u>
National chains	14.0%	18.1%
Department stores	36.3	16.9
Discount stores, incl. K mart	43.1	40.1
Specialty stores	6.5	16.7
Other store types	--	8.2

Source: NPD Special Industry Services, Inc.

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans. (August)

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now--1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES: (Including selected major apparel specialty store sales) Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sale information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1984 Edition available now--1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits. (1984 Edition available now--1985 Edition will be available in August, 1985).

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (Includes a new consumer buying intention survey) (October)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: (Including Tailored Casual Wear) Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videorecorders and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and physical fitness.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued this year by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons are made with findings in the last previous census, covering operations in 1977. (December)

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (July)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

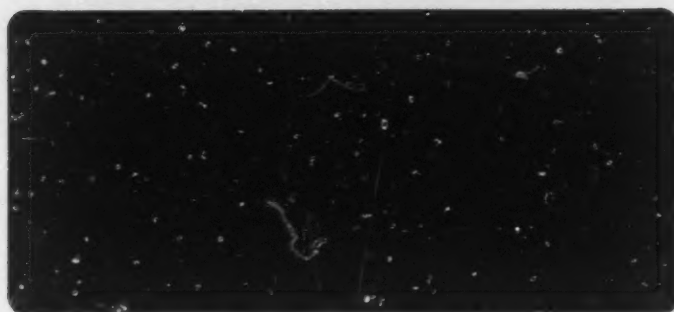
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THE TEXTILE/APPAREL INDUSTRIES

Current Trends

The year 1984 started on a high note for fiber, textile and apparel companies in the U.S. National employment was up, inflation slowing, consumers were spending, and inventories were generally depleted. Business was good until the third quarter, then the bottom fell out. Consumer spending levelled off just as imports of apparel and other textile products poured into the country at record levels. The soft goods pipeline soon became clogged with inventory, and this problem has carried over to the detriment of business through the first half of 1985.

Most mill executives look for marked improvement in the second half of the year, but the consensus is that 1985 is shaping up as a difficult year for domestic fiber, textile and apparel producers. The combined value of shipments of textiles and apparel by U.S. manufacturers registered an 8.3% decline in the first four months of 1985 compared with the same 1984 period, according to the American Apparel Manufacturers Association. Meanwhile, imports of textiles and apparel in the January-April period this year were up 7.1% from a year earlier; exports fell 3.8%. The unemployment rate for April in the textile mill sector was 14%. For apparel it was 11.5% (compared with a national average of 7.3%).

Imports are the single most pressing problem for the fiber and textile industries. They are viewed with mixed feelings by components of the apparel industry which have established overseas operations to meet the competition of foreign producers head-on. Foreign producers are wooing in turn American retailers to buy directly overseas. Nevertheless, the fiber, textile and apparel complex has come together in a strong coalition to back the passage of the import-slashing Textile and Apparel Trade Enforcement Act of 1985 which has been introduced in Congress. It is claimed that this bill, if passed, would cut textile/apparel imports by an estimated 20%. However, it is not supported by the Administration, based on overall global concerns.

The total U.S. trade deficit last year amounted to \$123 billion, of which textile/apparel products accounted for 13%. Currently the textile/apparel deficit exceeds \$17 billion. Imports doubled in the past three years and over 300,000 jobs were said to be lost in this period (mainly due to imports but also to greater automation and cost-cutting measures in U.S. plants).

An analysis of apparel sourcing by Kurt Salmon Associates (March 1985) showed that the landed, duty-paid value of apparel imported into the U.S. in 1984 amounted to \$12.8 billion, or 26% of U.S. apparel supply. Of this, half was sourced directly abroad by retailers, and this share is expected to more than double by 1995, spurred by the growing move on the part of retailers to merchandise private labels as well as maintain a supply of lower-priced apparel.

Retailers are actively fighting passage of the Textile and Apparel Trade Enforcement Act to protect these positions. However, there have been indications that attitudes toward off-shore sourcing may be softening somewhat. Reports are heard of greater awareness of problems involved with the long lead time needed in placing orders, the longer financing period, the inflexibility in open-to-buy positions, the inability to reorder, and uncertainties on the quota status of supplier-countries. Stores were hurt by the sharp markdowns necessitated by the glut of imports, delivery of which had to be accepted in spite of the downturn in sales.

CURRENT TRENDS

Fiber and textile producers, for their part, are stepping up efforts to survive. A massive program aimed at U.S. consumers, called "Crafted With Pride in the U.S.", has been mounted. Heavy investments have been made in machinery and equipment to raise productivity, lower costs and shorten time between orders and delivery. Mills are stepping up efforts to develop closer communication with their apparel manufacturer customers, knowing their needs and the design and style demands of their key accounts, as well as generally improving service and rapport.

Meanwhile, textile and apparel consolidations and plant closings continue, and unprofitable lines are eliminated. Automation and computerization, where affordable, is proceeding and the apparel industry is involved in the so-called TC Square project of Draper Laboratories to automate apparel sewing techniques. The final answer to the import problem lies in technology which will give American-made products the edge. The immediate outlook depends on the outcome of government action on imports.

GENERAL INDUSTRY STATISTICS

The fiber/textile/apparel complex is composed of several major segments and processes: fibers (man-made and natural), fabrics (woven, knit and non-woven) and three major end-uses of fabrics: apparel, home furnishings and industrial uses. Then there are related processes, including extruding, spinning, weaving, designing, dyeing, printing, finishing, converting, cutting, knitting, importing, exporting, etc.--separate segments by themselves (i.e. done by independent companies) or combined to some extent in large, vertically integrated companies.

The major segments of the complex are closely linked together, sharing common goals and problems but in some aspects--particularly in relation to the matter of imports--the segments are separate entities, with distinctive competitive pressures which seem to be growing.

Detailed industry statistics are currently being released by the Census Bureau based on the 1982 census of manufacturers. Reports are incomplete but will eventually supply the most detailed information since the last previous census was compiled covering 1977 operations. (The next census will cover 1987 operations).

From currently-available census data, the following table covers comparisons for major segments of the industry, for 1977 and 1982.

GENERAL INDUSTRY STATISTICS

General Statistics by Industry Classification

<u>Industry</u>	<u>1982</u>	<u>1977(r)</u>
CELLULOSIC MAN-MADE FIBERS (SIC 2823*):		
Number of companies	5	5
Number of establishments	9	10
With 20 employees or more	9	10
Total employees (thous.)	14.2	15.9
Production workers (thous.)	10.8	12.5
Payrolls, total (mil. \$)	291.0	212.8
Value added by manufacture (mil. \$)**	428.7	325.7
Cost of materials (mil. \$)	806.8	680.8
Value of industry shipments (mil. \$)***	1,239.9	998.9
Capital expenditures, new (mil. \$)	88.4	29.3
ORGANIC FIBERS, NONCELLULOSIC (SIC 2824*)		
Number of companies	44	37
Number of establishments	71	66
With 20 employees or more	58	58
Total employees (thous.)	60.4	74.0
Production workers (thous.)	43.3	54.8
Payrolls, total (mil. \$)	1,385.5	1,086.1
Value added by manufacture (mil. \$)**	3,329.7	2,804.4
Cost of materials (mil. \$)	4,973.4	3,618.1
Value of industry shipments (mil. \$)***	8,287.5	6,379.7
Capital expenditures, new (mil. \$)	443.2	338.5
TEXTILE MILL PRODUCTS INDUSTRY (SIC 22*)		
Number of companies	na	5,733
Number of establishments	6,615	7,202
With 20 employees or more	3,655	4,131
Total employees (thous.)	720.7	875.7
Production workers (thous.)	617.7	764.6
Payrolls, total (mil. \$)	9,242.4	7,881.4
Value added by manufacture (mil. \$)**	na	16,104.5
Cost of materials (mil. \$)	28,891.3	24,753.2
Value of industry shipments (mil. \$)***	47,790.7	40,550.5
Capital expenditures, new (mil. \$)	1,569.7	1,223.5
APPAREL INDUSTRY, EXCLUDING OTHER FABRICATED TEXTILES (PART OF SIC 23*)		
Number of companies	na	17,310
Number of establishments	17,745	19,777
With 20 employees or more	9,176	10,243
Total employees (thous.)	1,015.4	1,149.1
Production workers (thous.)	866.8	1,001.1
Payrolls, total (mil. \$)	9,993.2	7,951.7
Value added by manufacture (mil. \$)**	na	16,211.9
Cost of materials (mil. \$)	21,334.5	16,067.0
Value of industry shipments (mil. \$)***	43,059.0	32,031.9
Capital expenditures, new (mil. \$)	508.4	340.3

(continued)

GENERAL INDUSTRY STATISTICS

General Statistics by Industry Classification (continued)

	1982	1977(r)
MISCELLANEOUS FABRICATED TEXTILE PRODUCTS (SIC 239*)		
Number of companies	na	6,444
Number of establishments	6,568	6,728
With 20 employees or more	1,723	1,689
Total employees (thous.)	173.4	185.2
Production workers (thous.)	140.9	155.5
Payrolls, total (mil. \$)	2,120.7	1,706.9
Value added by manufacture (mil. \$)**	na	3,459.4
Cost of materials (mil. \$)	5,798.9	4,798.5
Value of industry shipments (mil. \$)***	10,347.1	8,213.2
Capital expenditures, new (mil. \$)	167.7	116.4

na - not available

(r) - revised

- * Industry definitions, as classified in the official Standard Industrial Classification System: Cellulosic Man-made Fibers (SIC 2823) and Organic Man-made Fibers (SIC 2824) are parts of the Chemical & Allied Products Industry (SIC 28)

Textile Mill Products Industry (SIC 22) included mills engaged in any of the following operations: (1) preparation of fiber and manufacture of yarn, thread, braids, twine, cordage; (2) manufacture of knit and woven fabrics and of carpets and rugs from yarn; (3) dyeing and finishing operations; (4) coating, waterproofing, special treating of fabrics; (5) the integrated manufacture of knit apparel and other finished articles from yarn; (6) the manufacture of felt goods, lace goods, non-woven fabrics and miscellaneous textiles.

Apparel & Other Textile Products (SIC 23) (the cutting-up and needle trades) includes establishments producing clothing and fabricated products by cutting and sewing purchased woven or knit textile fabrics and related materials, such as leather, plastics, fur, etc. Besides clothing, the industry includes manufacturers of curtains and draperies, household textiles, canvas products and other fabricated textiles, which are covered by the three digit code 239. As noted, knitwear made in knitting mills (rather than cut and sewed) is classified in SIC 22.

- ** The value added by manufacture is derived by subtracting the cost of materials, supplies, energy, contract work, etc., from the value of shipments of products manufactured plus receipts for services rendered. The result is then adjusted upward with the addition of merchandising costs. The value added figure avoids the duplication in the value of shipments which results from the use of products of some establishments as materials by others. Figures for 1982 on value added have been suppressed by the Census Bureau in preliminary reports, but will be included in final reports, after inventory data reported for 1982 has been evaluated.

(footnotes continued)

GENERAL INDUSTRY STATISTICS

(Footnotes continued)

*** The value of industry shipments includes for all establishments classified within each industry (a) the value of products primary to the industry; (b) the value of all secondary products which are primary to other industries; and (c) miscellaneous receipts (contract work, etc.) and resales. The value of shipments on a product basis, including the output of both primary and secondary producers, is covered in the section on VALUE OF PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census, Census of Manufactures, 1977; 1982 Preliminary Report, Summary Series (MC82-SUM-1(P); Final reports: MC82-1-28B.

Number of Companies & Mills (Plants) in Specified Industries (Classified by Primary Products) & Value of Industry Shipments, 1977, 1982(p)

	<u>Companies</u>			<u>Number Mills/Plants</u>		<u>Industry Shipments</u>	
	1982	1977(r)	Total	With 20+ Employees	1977(r) Total	(Mil. \$)* 1982(p)	1977
Fibers (man-made)							
Cellulosic	5	5	9	9	10	\$1,239.9	\$ 998.7
Noncellulosic	44	37	71	58	66	8,287.5	6,379.7
Textile mill products							
Yarn & thread mills	na	529	723	538	798	7,412.1	6,114.4
Weaving mills, cotton	212	211	269	143	192	3,972.0	4,431.2
Weaving mills, man-made fiber & silk	340	267	522	362	449	8,186.7	6,325.9
Weaving & finishing mills, wool	116	154	131	71	165	762.8	583.3
Narrow fabric mills	241	291	281	161	335	851.8	682.9
Knitting mills	na	2,318	2,332	1,300	2,617	10,993.6	9,470.0
Textile finishing, exc. wool	na	602	753	353	678	4,969.7	3,994.3
Floor covering mills	na	533	506	243	592	5,796.8	4,774.5
Misc. textile products	na	1,150	1,101	487	1,254	4,899.1	6,114.4
Apparel, other tex. prods.	na	23,754	24,313	10,899	26,505	53,406.1	40,245.1
Apparel		17,310	17,745	9,176	19,777	43,059.0	32,031.9
Other textile products	na	6,444	6,568	1,723	6,728	10,347.1	8,213.2

(p) preliminary

(r) revised

* Value of Industry Shipments includes shipments by all establishments classified within the industry, including both primary and secondary products, as well as the value of miscellaneous receipts (contract work, etc.) and resales.

Source: U.S. Bureau of the Census, 1982 Census of Manufactures (MC82-SUM-1(P)).

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Current information on employment and earnings in industry classifications is developed by the Bureau of Labor Statistics, U.S. Department of Labor. This information differs from U.S. Census Bureau employment data as it is compiled using a different methodology and base period.

Employment in the textile industry has been hurt in recent years both by the surge in imports and by industry automation and improved productivity. Employment in the apparel industry has been adversely affected mainly by imports. An industry observer claims that 100,000 jobs are lost for every billion square yards of imported textiles in fabric or garment form.

The textile/apparel complex, overall, is very labor-intensive. Last year 87% of employees were classified as production workers compared with a U.S. total for all manufacturing of 69%. Within the complex, the apparel industry is the most labor-intensive and less able to automate or to adopt technological advances than is the textile mill products segment. Thus it is at a greater disadvantage in this way, perhaps, in countering the competition of imports, and more products look for relief in off-shore operations. As larger firms become more dominant in the apparel industry, technical knowledge and capital expenditures should gain; however, employment will continue to be adversely affected if the trend to establish manufacturing facilities abroad, or to sources abroad, accelerates.

Labor costs are a major problem in the competitive stance of U.S. textile mills. In a worldwide study by Werner International, a Brussels-based management group, released in 1984, it was reported that U.S. textile industry labor costs were the fifth highest in the world, compared with only the 11th highest in 1980.

In an effort to stem the tide in plant closing in the textile industry, unions representing many employees have been granting significant wage and benefit givebacks. On the other hand, 1985 seemed to indicate the beginning of a trend to the elimination of white-collar employees in the textile industry at a faster pace than blue-collar workers, which up to now has shown the sharpest losses in employment.

While gains were registered in both the textile industry and the apparel industry in average annual employment in 1984 compared with the 1983 averages, this was due entirely to a strong first half. By the end of the year there were 33,000 fewer workers in the textile mill products industry than were reported in December 1983 and apparel industry employment was down almost 16,000.

The long-term trend (1977-1984) in textile industry employment has been downward, at a compound annual rate of 3.9% according to the Department of Commerce (1985 U.S. Industrial Outlook). The downturn that started in the second half of 1984, due to a glut of imports, a drop in consumer demand, as well as technological improvements, has continued this year. In June 1985 employment in textiles hit a new low--the lowest since records were started by the BLS in 1939--averaging 699,000 for the month. This compares with a peak of 1,101,600 workers reported for March 1973 and 752,000 in June 1984.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment in the apparel industry was reported at 1,144,000 in June 1985, down from 1,152,000 in the previous month and 1,202,000 in June 1984, according to preliminary data. The lowest employment level for the industry was in December 1982 (1,134,000) at the depth of the recession. The highest level was registered in April 1973 (1,451,000).

The unemployment rate for the textile industry was 14.0% in April 1985 compared with 7.7% a year earlier; in apparel, it was 11.5% vs. 10.4%, according to the Bureau of Labor Statistics.

Despite the drop in employment levels, the fiber/textile/apparel complex still remains the top industrial employer in the U.S. in terms of production workers, although it is rapidly losing ground. It accounts for over two million employees, or over 10% of total employment in the U.S. manufacturing as of 1984 (down from one in eight a few years ago); and has a 13% share of all production workers in U.S. manufacturing plants. The apparel industry, alone, is the seventh largest manufacturing employer in the U.S.

Women represented 48% of all workers in textiles in 1984 and 80.5% of all apparel/related products industry employees. Putting it another way, the textile/apparel industries accounted for 21% of all women employed in U.S. manufacturing industries.

The high level of female employment, and the location of mills in the South where wage rates are lower, are factors in the relatively low hourly earnings in textiles and apparel. The average for hourly earnings of production workers in 1984 in textile mill products manufacturing was \$6.18; in apparel manufacturing, \$5.37. This compares with the average of \$8.83 for production workers in all U.S. manufacturing; an average of \$8.08 in nondurable goods manufacturing plants.

Trends in Production Worker Employment in the Fiber/Textile/Apparel Industrial Complex, 1977-1984 (Annual Averages in thousands)

<u>Year</u>	<u>Total</u>	<u>Non-Cellulosic Fibers</u>	<u>Textile Mill Products</u>	<u>Apparel & Related Products</u>
1977	1,989.1	67.4	792.3	1,129.4
1978	1,996.7	69.0	783.1	1,144.6
1979	1,958.5	70.8	770.9	1,116.8
1980	1,882.6	66.3	736.9	1,079.4
1981	1,830.7	58.7	712.5	1,059.5
1982	1,677.6	54.3	642.1	981.2
1983	1,676.3	50.9	641.1	984.3
1984	1,716.7	49.2	651.0	1,016.5

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Employment & Earnings in Fiber/Textile/Apparel Industries, 1983, 1984

	Annual Average Employment (Thousands)		Production Workers			
	1984	1983	Avg. Weekly Earnings		Avg. Weekly Hours	
			1984	1983	1984	1983
Total	2,024.1	1,980.1	--	--	--	--
Organic fibers, noncellulosic*	69.8	72.5	\$448.10	\$422.35	41.8	41.9
Textile mill products industry	752.8	743.5	257.75	250.29	39.9	40.5
Selected components:						
Weaving mills, cotton	121.5	124.1	269.33	262.11	39.9	40.7
Weaving mills, man-made fibers	92.0	91.4	282.46	269.53	40.7	40.9
Weaving & finishing mills, wool	18.7	17.4	284.39	265.20	41.7	40.8
Knitting mills	206.8	204.3	224.79	220.56	38.1	38.9
Textile finishing, exc. wool	64.1	63.5	280.44	271.51	41.0	41.2
Yarn & thread mills	111.4	111.9	239.98	238.21	39.6	41.0
Apparel & other textile products	1,201.5	1,164.1	201.29	194.39	36.4	36.2
Selected components:						
Men's & boys' suits & coats	72.6	70.6	237.25	221.70	36.5	35.7
Men's & boys' furnishings	342.1	324.7	187.96	182.90	37.0	37.1
Women's outerwear	388.7	387.9	189.06	182.66	34.5	34.4
Women's & children's undergarments	87.7	84.6	186.58	178.49	36.8	36.5
Children's outerwear	62.8	59.6	180.68	172.32	36.5	35.9
Misc. apparel, accessories	47.3	46.5	201.00	192.39	37.5	36.3
Misc. fabricated tex. prods.	180.0	171.9	251.81	247.50	38.8	39.1

* Data not reported for cellulosic fiber producers.

Source: U.S. Department of Labor,
Bureau of Labor Statistics,
Employment & Earnings.

Industry Location

Employment in the textile industry has moved southward, and the greatest concentration of mills is in the Southeast, particularly in the Carolinas and Georgia. Combined, these states account for about 60% of the industry's employment.

Close to 60% of the apparel industry is concentrated in New York, California, Pennsylvania and New Jersey. The higher-fashion and tailored apparel items are particularly important in these states. The southern and southwestern states, however, are becoming increasingly important with the the growth in the markets for casual wear and sportswear.

GENERAL INDUSTRY STATISTICS

Industry Location

According to a study by Kayser-Roth (Women's Wear Daily, Feb. 1, 1983), the Middle Atlantic region had undergone a decline of 33% in apparel industry employment in the 1968-1983 period. Southern states, on the other hand, had increased apparel employment by 23% in this period. Projections based on this study are for another 50% decline in employment in the industry in the Middle Atlantic region by 1993, while Southern apparel industry employment will fall by 14%. Overall, a 20% drop in apparel industry employment was anticipated in this study.

Leading States for Specified Textile Industries, 1982 (Based on value added by manufacture)

	Mills		Employment		Value Added By Manufacture	
	No.	%	Thous.	%	Mil. \$	%
Weaving/finishing mills, wool	131	100.0%	13.1	100.0%	\$ 349.4	100.0%
Maine	12	9.2	2.1	16.0	64.8	18.5
Massachusetts	18	13.7	1.7	13.0	55.0	15.7
New Hampshire	6	4.6				
Fibers, non cellulosic, total	71	100.0	60.4	100.0	3,329.7	100.0
South Carolina	15	21.1	15.4	25.5	937.0	28.1
Virginia	8	11.3	12.3	20.4	814.3	24.5
North Carolina	13	18.3	11.5	19.0	600.6	18.0
Weaving mills, cotton	269	100.0	76.9	100.0	1,637.5	100.0
North Carolina	38	14.1	26.6	30.7	539.1	32.9
South Carolina	40	14.9	16.8	21.8	350.8	21.4
Georgia	35	13.0	17.1	22.3	309.2	18.9
Alabama	16	5.9	7.7	10.0	179.9	11.0
Weaving mills, man-made fiber, silk	522	100.0	140.8	100.0	3,486.7	100.0
South Carolina	110	21.1	52.3	37.1	1,277.4	36.6
North Carolina	84	16.1	34.6	24.6	836.8	24.0
Georgia	42	8.0	13.2	9.4	414.4	11.9

(continued)

GENERAL INDUSTRY STATISTICS

Industry Location

Leading States for Specified Textile Industries (Based on value added by manufacture) (continued)

	Mills		Employment		Value Added By Manufacture	
	No.	%	Thous.	%	Mil. \$	%
Finishing mills, except wool	753	100.0%	58.0	100.0%	\$1,590.2	100.0%
South Carolina	45	6.0	16.0	27.6	397.3	25.0
North Carolina	96	12.7	11.0	19.0	259.3	16.3
Massachusetts	45	6.0	5.2	9.0	158.1	9.9
New Jersey	72	9.6	2.7	4.7	139.3	8.8
Narrow fabric mill	281	100.0	17.5	100.0	464.7	100.0
Rhode Island	31	11.0	2.6	14.9	60.4	13.0
Pennsylvania	35	12.5	2.0	11.4	48.7	10.5
South Carolina	12	4.3	1.6	9.1	44.2	9.5
Circular knit fabrics	422	100.0	31.1	100.0	850.4	100.0
North Carolina	123	29.1	13.7	44.0	324.5	38.2
New York	105	24.9	2.7	8.7	79.5	9.3
New Jersey	47	11.1	1.7	5.5	42.9	5.0
Pennsylvania	40	9.5	1.9	6.1	42.3	5.0
Warp knit fabrics	207	100.0	19.0	100.0	533.9	100.0
North Carolina	44	21.2	8.1	42.6	215.3	40.3
Pennsylvania	19	9.2	1.8	9.5	84.0	15.7
New York	49	23.7	2.3	12.1	53.7	10.1

Note: For comparable data on apparel and other textile products, see specific Fact Files covering specific classifications of products.

Source: U.S. Bureau of the Census, Census of Manufactures
MC82-1-22A-22B-28B.

New York City

As of December 1984, the apparel and other finished textile products industry in New York City had 116,800 employees. This compares with an average of 140,200 in 1980.

The city's share of total apparel industry employment as of December last year was 10% and apparel manufacturing accounted for 27.2% of all the city's manufacturing employment as of December 1984.

Broadly defined to include apparel, accessories and toiletries, the fashion industry in New York City has been rated the third largest employer in the city, behind business services (advertising, marketing, management consulting) and wholesale trade. (Women's Wear Daily, May 12, 1983).

GENERAL INDUSTRY STATISTICS

Ranking of the Textile & Apparel Industries

The relative importance of the fiber/textile/apparel complex has diminished over the years, but it is still the nation's largest industrial employer. In terms of dollar volume, because of duplication in value of shipments within the complex--with shipments of some producers (fibers, for example) used in the manufacture of other products (fabrics)--overall rank is best determined on the basis of value added by manufacture within each segment of the complex.

In the following table, adjustments have been made in the composition of the textile apparel industries as defined by the government in order to arrive at a more precise measurement on an end-use basis. Specifically, man-made fibers have been taken from the chemical industry and are included in the textile mill products industry; knitwear has been transferred from textile mill products to apparel; household textiles and miscellaneous fabricated textiles have been separated from apparel and added to textiles. This has resulted in some unavoidable, but relatively small, duplication in the textile industry's value of shipments.

As this Fact File goes to the printer, data on value added by manufacture for major industry groups is not yet available from the 1982 census of manufactures, but should be released within a few months.

The Rank of Leading U.S. Industries Based on Value Added by Manufacture, 1981

Industry	Value Added by Manufacture**		Value of Industry Shipments	
	Bil. \$	Rank	Bil. \$	Rank
Machinery, except electric	\$111.4	1	\$201.5	4
Transportation equipment	82.9	2	205.2	3
Food & kindred products	80.8	3	272.1	1
Chemicals & allied products	80.0	4	180.5	5
Electric, electronic equipment	79.7	5	140.2	7
Fabricated metal products	61.6	6	123.7	8
Primary metal industries	49.6	7	141.6	6
Printing & publishing	49.4	8	77.3	10
Paper & allied products	32.4	9	80.2	9
Instruments & related products	31.5	10	48.3	14
Petroleum & coal products	26.7	11	224.1	2
Rubber & misc. plastic products	26.0	12	53.2	11
Apparel, incl. knitwear	25.6	13	49.8	13
Stone, clay & glass products	24.9	14	48.0	15
Textile mill products, incl. fibers & misc. fabricated textiles	19.4	15	50.3	12

** This measure of manufacturing activity is derived by subtracting the cost of materials, supplies, fuel, etc., and contract work from the value of product shipments, plus receipts for services. This calculation is adjusted for value of merchandising operations as well as inventories.

Source: Based on U.S. Bureau of the Census,
Annual Survey of Manufactures, 1981, April 1983.

GENERAL INDUSTRY STATISTICS

Ranking of the Textile & Apparel Industries

The aggregate value added by manufacture among manufacturers classified in fiber/textiles/apparel amounted to \$45.0 billion in 1981, ranking this industrial complex ninth among all U.S. manufacturing industries based on this measurement.

As previously noted, the fiber/textile/apparel industrial complex is the nation's largest employer in manufacturing. It accounts for over one out of 10 industrial employees. Although the complex comprises many small and medium-sized companies and relatively few giants, these giants--particularly in the textile industry--represent a large and growing share of shipments.

According to the American Textile Manufacturers Institute, there are approximately 5,000 textile firms (SIC 22) which do not include man-made fiber producers in the country. The largest 50 firms account for 50% of the industry's total output. Of the 6,192 plants classified in the industry in 1982, only 13.2% had 250 or more employees, but these large plants accounted for 65% of the total industry employment.

The apparel industry has traditionally been made-up of small, frequently family-operated companies with less than 100 employees, producing narrow product lines. The industry is, however, undergoing changes. There has been some consolidation among the publicly-held firms, and their share of output has been increasing. The capital and knowledge intensity of the industry has widened and product lines are expanding.

Of the 21,367 plants in the apparel and related textile products industry in 1982, 73% had under 50 employees, according to County Business Patterns (U.S. Census Bureau). However, there is a great turnover rate among the smaller manufacturers, and they are accounting for a decreasing share of the total industry pie. Competitive pressure from imports is forcing consolidation and greater efficiency. Off-shore production is another growing development affecting the composition of the apparel industry.

According to an apparel industry analysis by Kayser-Roth, in 1982 about 20% of total industry volume was in the hands of very large companies doing more than \$100 million. These large companies accounted for only about 15% of all companies in the industry. It was estimated that by 1990, these same firms would control over 50% of apparel industry volume. (Women's Wear Daily, Feb. 1, 1983).

A detailed report on concentration ratios in manufacturing companies will be issued by the Census Bureau as a by-product of the census of manufactures, 1982, later this year.

INDUSTRY CONCENTRATION

Industry Concentration In Selected Textile Classifications Based on Employee-Size, 1982

	<u>Mills</u>		<u>Employees</u>		<u>Value Added By Manufacture</u>		<u>Value of Shipments</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>Mil. \$</u>	<u>%</u>	<u>Mil. \$</u>	<u>%</u>
Man-made fibers (non-cellulosic)								
Total	71	100.0	60.4	100.0	\$3,329.7	100.0	\$8,287.5	100.0
No. of employees								
Under 100	23	32.4	0.8	1.3	32.2	1.0	74.9	0.9
100 - 999	25	35.2	9.9	16.4	631.8	19.0	1,584.8	19.1
1,000 +	23	32.4	49.7	82.3	2,665.7	80.0	6,627.8	80.0
Weaving mills, cotton								
Total	269	100.0	76.9	100.0	1,637.5	100.0	3,972.0	100.0
No. of employees								
Under 100	164	61.0	2.4	3.1	66.3	4.0	146.4	3.7
100 - 999	92	34.2	41.8	54.4	949.0	58.0	2,212.2	55.7
1,000 +	13	4.8	32.7	42.5	622.2	38.0	1,613.4	40.6
Weaving mills, man- made fiber fabrics								
Total	522	100.0	140.8	100.0	3,486.7	100.0	8,186.3	100.0
No. of employees								
Under 100	246	47.1	5.3	3.8	162.3	4.7	363.8	4.4
100 - 999	257	49.2	100.2	71.2	2,587.8	74.2	5,933.9	72.5
1,000 +	19	3.8	35.3	25.1	736.6	21.1	1,888.6	23.1
Circular knit fabrics								
Total	422	100.0	31.1	100.0	850.4	100.0	2,538.8	100.0
No. of employees								
Under 100	327	77.5	7.4	23.8	188.4	22.1	543.7	21.4
100 - 999	92	21.8	20.4	65.6	500.5	58.9	1,660.5	65.4
1,000 - 2,499	3	0.7	3.3	10.6	161.4	19.0	334.6	13.2
Warp knit fabrics								
Total	207	100.0	19.0	100.0	533.9	100.0	1,465.8	100.0
No. of employees								
Under 100	158	76.3	4.5	23.7	116.9	21.9	304.0	20.7
100+	49	23.7	14.5	76.3	417.0	78.1	1,161.8	79.3
Finishing mills, man- made fiber fabrics								
Total	296	100.0	34.4	100.0	999.0	100.0	3,186.2	100.0
No. of employees								
Under 100	210	70.9	4.9	14.2	152.2	15.2	270.2	8.5
100 +	86	29.1	29.5	85.8	846.8	84.8	2,916.0	91.5

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series, MC82-1.

FINANCIAL RESULTS

Textile Companies

Based upon an extensive sample survey, the Economic Surveys Division, Bureau of the Census, publishes quarterly aggregate statistics on the financial results of U.S. corporations, including those in the textile mill products industry.

The quarterly reports covering the textile industry are a clear indication of the problems faced by the industry in the second half of 1984. Imports of textile products poured in, consumer spending leveled off, and a massive build-up in inventories resulted at all levels, from retailers back to apparel manufacturers and to mills.

According to the Census Bureau analysis, the textile industry managed a 5.1% gain in sales for the year compared with 1983, while profits after taxes rose 4.2%.

Textile Mill Products Corporate Sales & Profits, 1983, 1984

	Year		1984 (Quarters)				1983
	1984	1983	4th	3rd	2nd	1st	4th
Sales (mil. \$)	\$50,426	47,993	12,961	12,334	12,679	12,452	12,422
Income: (mil. \$)							
Before taxes	2,838	2,725	725	533	844	736	486
After taxes	1,666	1,599	396	349	508	413	287
Profits per \$ of sales (cents)							
Before taxes	5.7	5.7	3.9	4.3	6.7	5.9	5.6
After taxes	3.3	3.3	2.3	2.8	4.0	3.3	3.1

Source: U.S. Bureau of the Census,
Quarterly Financial Report.

Data on some of the leading mills indicates that some were able to chalk up substantial gains in profits in 1984. These were companies heavily involved in industrial fabrics which have not been adversely affected by imports. Apparel fabric producers fared worse in 1984 and are not expected to do much better in 1985. Knitting mills and yarn suppliers have been hurt both by imports and by the trend to wovens, especially the fashion switch from knitted sport shirts to wovens.

Some companies, such as Burlington and Lowenstein, are phasing out unproductive areas within the apparel fabric sector and redeploying efforts into the more productive home furnishings and industrial textile areas.

FINANCIAL RESULTS

Textile Companies

Leading Publicly-Owned Textile Companies: Sales & Profits, 1983, 1984 (Thousands of dollars)

Companies	Period Ending	SALES			PROFITS		
		1984	1983	% Chg.	1984	1983	% Chg.
Burlington	12/29*	\$3,049,997	\$2,383,135	+ 28.0%	\$38,322	\$111,501	- 65.5%
J.P. Stevens	11/3	2,144,183	1,926,137	+ 11.3	21,969	18,901	+ 16.2
West Point Pepperell	11/24	1,309,855	1,259,999	+ 4.0	46,625	57,207	- 18.5
Collins & Aikman	11/30*	1,024,167	856,417	+ 19.6	61,120	41,141	+ 48.6
Springs Industries	12/29	944,990	894,443	+ 5.6	36,071	37,051	- 2.6
Lowenstein	12/29	639,580	584,879	+ 9.3	30,636	22,178	+ 38.1
Fieldcrest	12/31	572,821	550,515	+ 4.0	4,143	15,060	- 72.5
Riegel Textiles	12/29*	405,994	413,556	- 1.8	(18,280)	8,297	--
Bibb Co.	12/29*	235,841	238,995	- 1.3	7,389	1,356	+444.9
Avondale	11/25*	282,602	319,231	- 11.5	9,979	11,426	- 12.7
Total		10,610,030	9,427,307	+ 12.5	237,974	324,118	- 26.6

* Fiscal periods have been adjusted to conform with the calendar year.

Note: Millikin is not listed as it is privately held but has sales of well over \$2.5 billion a year.

Source: Daily News Record,
February 28, 1985.

According to an analysis of earnings in the textile industry by The Wall Street Journal (May 13, 1985) in the first quarter of 1985 depressed orders from cut-and-sew shops continued to plague the big weavers. Burlington Industries' net income for the quarter dropped 85% compared with the same 1984 period; West Point Pepperell's net plunged 94%. Composite results for nine textile companies showed net income for the quarter down 42%, and there appeared to be little sign of any resurgence in the second quarter. An improvement, however, is looked for by some industry analysts in the second half of 1985, as retail and apparel manufacturers' excess inventories are worked down, and growth in apparel imports moderates.

Apparel Companies

In contrast with the upbeat mood in the apparel industry in the last quarter of 1983, in the 1984 period, the apparel business was in the doldrums where earnings for most producers were down sharply. Problems related to overstocking at the retail level were expected to continue through the first half of 1985, but an improvement was expected in the second half of the year.

There were notable exceptions in the dismal earnings picture last year, particularly for apparel companies that had diversified into new product categories and new retail distribution channels. Liz Claiborne, which expanded its brands' acceptance by opening its own name shops in department stores, registered a 79.6% gain in profits in the fourth quarter and a whopping 87% gain for the entire year 1984.

FINANCIAL RESULTS

Apparel Companies

While profits for Levi Strauss were down 78.7% and sales off 8.9% in the 12 months ending Nov. 25, 1984, the first quarter earnings (period ending Feb. 24, 1985) rose 24.7% as sales of men's jeans improved and Levi's cost reduction measures began to take effect.

Leading Publicly-Owned Apparel Companies: Sales & Profits, 1983, 1984 (Thousands of dollars)

Companies	Period Ending	Sales			Profits		
		1984	1983	% Chg.	1984	1983	% Chg.
Interco	11/30*	\$2,668,791	\$2,658,265	+ 0.4%	\$87,969**	\$104,977	-16.2%
Levi Strauss	11/25	2,513,536	2,731,273	- 8.0	41,387	194,523	-78.7
VF Corp.	12/31	1,167,356	1,100,956	+ 6.0	124,746	119,401	+ 4.5
Hartmarx	11/30	1,070,830	961,846	+11.3	41,735	37,615	+10.9
Cluett Peabody	12/31	949,265	858,910	+10.5	26,780	26,829	- 0.2
Phillips-Van Heusen	2/3	590,787	505,885	+16.8	15,298	17,262	-11.4
Warnaco	12/29	561,391	497,260	+12.9	20,474	28,342	-27.8
Oxford Inds.	11/30*	583,051	543,031	+ 7.4	16,223	25,743	-37.0
Manhattan Inds.	1/31	520,688	432,992	+20.2	1,124	11,547	-90.3
Liz Claiborne	12/29	391,272	228,722	+71.1	41,938	22,398	+87.2
Palm Beach	12/29	458,961	472,394	- 2.8	10,028	13,944	-28.1
Russ Togs	2/2	275,060	250,805	+ 9.7	11,113	12,114	- 8.3
Total		11,750,988	11,242,339	+ 4.5	438,815	614,695	-28.6

* Fiscal year adjusted to conform with the calendar year.

**Includes a \$20 million charge associated with an asset redeployment plan.

Source: Daily News Record (April 11, 1985).

According to the Wall Street Journal analysis of apparel industry earnings in the first quarter of 1985 (WSJ, May 13, 1985), results were mixed, but a composite for 10 companies showed net income 31% below the level in the first quarter of 1984. Earnings fell 26% at Warnaco, 55% at Cluett Peabody, 86% at Oxford Industries and 38% at Phillips-Van Heusen. But profits rose 25% at Levi Strauss, due to better U.S. sales of men's jeans and to cost-cutting and profits were up 58% at Liz Claiborne. Expectations were for a sluggish second quarter, with improvement in the second half as retail inventories are reduced and retailers, hopefully, increase their buying from domestic resources.

According to an analysis by the Johnson Redbook staff, a 10% increase in apparel industry earnings is projected for 1986, due to better control of inventories and improved cost controls.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Fiber Production

In the entire year 1984, production by U.S. mills of man-made fibers, including cellulosic, noncellulosic and glass, totaled 9.486 billion pounds. This was 1.6% above the 9.336 billion pounds produced in 1983, but 9.6% below the peak of over 10 billion pounds reported by U.S. producers in 1979, according to the Textile Economics Bureau. The 1984 level was, however, 19% higher than the 1982 total of only 7.9 million pounds.

Capacity utilization for domestic man-made fiber producers averaged 81.2% for the year 1984, but has lagged well below that average in the first quarter of 1985. There was a pickup in March, when capacity utilization reached 77.9%, up from 74.6% in February. The gain was attributed to strengthening in the nylon carpet markets and in polyester industrial filament which benefitted by bigger demand for tire cord.

Polyester staple capacity utilization edged downward in March 1985 to 72.8% from 73.1% in February; but textile denier nylon improved to 81% from 78.3% in February. In general, the outlook for apparel fibers is not as bright as in other markets, particularly industrial uses, nonwovens and carpeting. Industry operating rates in apparel fibers are expected to remain in the lower 70s, while imports continue to erode the market and profits. Further cutbacks in U.S. apparel fiber capacity appear to be imminent.

DuPont, the major domestic producer of textile fibers, was reported to be optimistic about the markets for special areas such as Lycra spandex, nylon filament and fiber fill insulation in sportswear and skiwear, as well as the newly-introduced thermal plastic-coated yarns. However, DuPont's first quarter 1985 fiber sales were down 13%, and profits fell 52.3% compared with the first quarter 1984 results.

Man-Made Fiber Production by U.S. Producers, 1982-1984 (Millions of Pounds)

	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>% Change 1984/1983</u>
Man-made fiber, total	9,485.8	9,335.9	7,943.5	+ 1.6%
Cellulosic	620.1	630.3	584.4	- 1.6
Rayon yarn	32.3	26.5	33.2	+ 21.9
Industrial	20.2	15.3	20.8	+ 32.0
Textile	12.1	11.2	12.4	+ 8.0
Acetate yarn	198.2	227.6	195.2	- 12.9
Staple & tow				
Rayon	389.2	374.8	355.0	+ 3.8
Acetate	0.4	1.4	1.0	- 71.4
Noncellulosic	7,471.7	7,538.4	6,459.9	- 0.9
Yarn	3,524.4	3,567.8	3,057.4	- 1.2
Staple	3,947.3	3,970.6	3,402.5	- 0.6
Glass fiber	1,394.0	1,167.2	899.2	+ 19.4

Source: Textile Economics Bureau,
Textile Organon (March 1985).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Fiber Production

The extent to which U.S. production of most fibers has dwindled under pressures from imports, the strong U.S. dollar, as well as changes in the economy and in U.S. markets is seen in the drop from production peaks represented by 1984 levels in specific fibers. The trend is sharply down, although there have been fluctuations, up and down, between the peak year and 1984 levels.

Fiber	Peak Year Reported		% Change 1984/Peak Year
	Year	Mil. Pounds	
Rayon yarn	1965	433.8	- 92.5%
Acetate yarn	1970	463.2	- 57.2
Rayon staple	1969	389.2	- 48.7
Rayon acetate	1963/64/65	60.0	- 99.3
Noncellulosic yarn	1979	4,154.3	- 15.2
Noncellulosic staple	1979	4,282.3	- 7.8
Glass fiber	1984	1,394.0	--

Source: Based on reports compiled by the Textile Economics Bureau.

Fiber Shipments

While production of man-made fibers rose slightly in 1984, shipments were off 1.4% compared with 1983, although they were 13.5% ahead of the 1982 total.

The trend in shipments by type of fiber was mixed in 1984. Industrial types showed increases, but shipments of textile nylon dropped 7.4% compared with 1983; textile polyester was down 16.2% due to oversupplied and import-filled apparel market. Nylon staple shipments dropped almost 9% as the carpet market softened in the second half of 1984.

Man-Made Fiber Shipments By U.S. Producers, 1982-1984 (Millions of pounds)

	1984	1983	1982	% Change 1984/1983
Total man-made fibers*	8,017.7	8,129.1	7,064.0	- 1.4%
Yarn + monofilaments				
Acetate	198.3	225.8	198.8	- 12.2
Nylon**				
Industrial	375.1	318.1	324.5	+ 17.9
Low denier industrial	34.0	35.5	29.5	- 4.2
Carpet	794.9	762.6	582.1	+ 4.2
Textile	353.0	381.4	331.6	- 7.4
Polyester				
Industrial	313.1	307.6	288.0	+ 1.8
Low denier industrial	24.8	26.0	22.4	- 4.6
Textile	860.2	1,027.1	927.1	- 16.2
Olefin	743.7	714.2	592.3	+ 4.1

(continued)

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Fiber Shipments

Man-Made Fiber Shipments By U.S. Producers, 1982-1984 (Millions of pounds) (continued)

	1984	1983	1982	% Change 1984/1983
Staple + Tow + Fiberfill				
Rayon	384.0	377.4	360.2	+ 1.7
Nylon*	831.3	911.2	689.9	- 8.8
Acrylic + Modacrylic	666.2	654.7	632.2	+ 1.7
Polyester	2,192.4	2,197.8	1,941.6	- 0.2
Olefin + Vinyon	246.7	189.7	143.8	+ 30.0

* Data include rayon yarn, saran, spandex, acetate staple and tow.

** Aramid is not included in Nylon data for 1983 and 1984, but is included in 1982.

Source: Textile Economics Bureau, Textile Organon (January 1985).

In the first 2 months of 1985, shipments of man-made fibers covered in the above table were 2.3% below the total in the same 1984 period. Stocks at the end of February were up 4.8% (in poundage) compared with the end-of-February 1984 stocks.

Mill Consumption of Fiber

In 1984, U.S. mill consumption of man-made fibers fell nearly 3%; cotton consumption declined, dropping 4.5%, while wool made a slight gain.

The most significant drop in mill consumption of man-made fibers was in polyester, which dropped 8.5%. However, man-made fibers increased its share of mill consumption, rising to 73.7%, while cotton fell to 24.8% and wool share remained unchanged at 1.5%. (Consumption of silk and flax are not included in the mill consumption data).

U.S. Mill Consumption of Fibers In Textile End Uses, 1980-1984 (Billions of pounds)

	1984	1983	1982	1981	1980
Total	10.8	11.1	9.3	10.7	11.3
Rayon	0.4	0.4	0.3	0.5	0.5
Acetate*	0.2	0.2	0.2	0.2	0.3
Nylon**	2.4	2.4	1.9	2.2	2.3
Polyester	3.2	3.5	2.9	3.5	3.5
Acrylic***	0.5	0.5	0.5	0.5	0.6
Olefin	1.0	0.9	0.8	0.8	0.7
Glass#	0.2	0.2	0.1	0.1	0.2
Cotton	2.7	2.8	2.5	2.7	3.1
Wool	0.2	0.2	0.1	0.2	0.1

* Includes triacetate. Cigarette tow is excluded.

** Includes aramid for all years but 1983 and 1984.

*** Includes modacrylic.

Includes only glass fibers for textile end uses.

Source: Textile Economics Bureau, Textile Organon (March 1985).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Total Supply of Fibers

Mill consumption of raw wool for 1984, based on Department of Agriculture reports, totaled 140.3 million pounds, clean basis, which was 1.6% above the 1983 total. While overall consumer consumption of wool in the U.S., including imported products, is slowing down, it reached 332 million pounds in 1984, up 12% compared with 1983. Imports make up the difference between this total and U.S. mill consumption. In 1984, imported wool apparel and fabric soared 44% over 1983.

Despite restrictive cotton acreage reduction programs in 1984 and 1985, stocks of cotton continued to rise because of record yields in 1984, and in the face of declines in both mill use and exports. The U.S. Department of Agriculture projected mill use for the 1984/85 season at 5.3 million bales, down from over 5.8 million in the 1983/84 season and 7.1 million bales in the 1971/72 season. Mill use may fall to about 5 million bales during 1985/86.

Cotton Textile Trade, Mill Use & Domestic Consumption, 1982-1984 (1,000 480-lb. bales)

	Mill use	Textile Trade			Domestic Consumption	Imports Share of Domestic Consump.
		Imports	Exports	Deficit		
1982	5,183.1	1,869.1	527.8	1,341.3	6,524.5	28.6%
1983	5,824.3	2,336.1	457.5	1,878.6	7,702.8	30.3
1984(e)	5,300.0	3,000.0	400.0	2,600.0	8,100.0	37.0

(e) estimated

Source: U.S. Department of Agriculture,
Cotton and Wool Outlook & Situation Report.

Total Supply of Noncellulosic Fibers (Nylon, Olefin, Polyester) 1982-1984 (Millions of pounds)

	1984	1983	1982	% Change 1984/1983
Noncellulosic				
Yarn + monofilament				
Production	3,524.4	3,567.8	3,040.4	- 1.2%
Shipments - domestic	3,313.5	3,385.4	2,877.4	- 2.1
export	184.1	187.3	220.2	- 1.7
Imports				
Total available supply, including stocks at start of year	3,417.5	3,443.3	2,907.2	- .7
Staple + Tow				
Production	3,947.3	1,035.6	3,402.5	+281.2
Shipments - domestic	3,494.2	3,671.9	3,037.6	- 4.8
exports	442.4	281.5	369.9	+ 57.2
Imports	131.1	101.6	51.2	+ 29.0
Total available supply, including stocks at start of year	3,625.3	3,773.5	3,088.8	- 3.9

Source: Textile Economics Bureau, Textile Organon (Feb. 1985).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Total Supply of Fibers

Imports of noncellulosic yarns reached 104 million pounds in 1984, up 73% compared with 1983 and more than triple the 1982 total. Imports of man-made staple fiber totaled 131.1 million pounds last year, 29% above the 1983 total and over one and a half times the 1982 imports.

The balance of trade in man-made fibers plus manufacturers dropped to a net-import balance of 325 million pounds in 1984--the highest level since 1972, according to the Textile Economics Bureau.

Price and import pressures are responsible for significant cutbacks in production and shipments by U.S. producers of rayon staple. In the past year some 6 to 8 million pounds were imported into the U.S. and sold for as much as ten cents less on the pound than U.S. rayon, which, in turn, is not selling at a very low price level. Rayon prices are tied to cotton and polyester prices and the low level now reflects the abundant cotton crop and excess industry capacity. U.S. production of rayon staple has declined from 697 million pounds annually in 1973 to 389 pounds in 1984 (384 pounds were shipped). Nevertheless, large producers, such as American Enka, plan to invest in new production equipment to become more cost-efficient and competitive with imports and other fibers.

Raw Fiber Equipment of Imported & Exported Manufactured Products By Fiber Type & Resulting Trade Balance, 1983, 1984 (Millions of pounds)

	<u>1984</u>	<u>1983</u>	<u>% Change</u> <u>1984/1983</u>
Man-made Fiber			
Imports*	1,342.0	1,069.4	+ 25.5%
Exports*	488.0	460.7	+ 5.9
Balance, total	854.1	608.7	+ 40.3
Semi-manufactured products	50.3	12.1	+315.7
Manufactured products	803.7	596.6	+ 34.7
Cotton			
Imports*	1,464.8	1,135.4	+ 29.0
Exports*	204.6	219.6	- 6.8
Balance, total	1,260.2	915.8	+ 37.6
Semi-manufactured products	420.9	297.8	+ 41.3
Manufactured products	839.3	618.0	+ 35.8
Wool			
Imports*	189.4	131.9	+ 43.6
Exports*	15.1	18.9	- 20.1
Balance, total	174.3	113.0	+ 54.2
Semi-manufactured products	51.2	30.6	+ 67.3
Manufactured products	123.1	82.4	+ 49.4

* Includes both manufactured and semi-manufactured products.

Source: Based on Textile Economics Bureau, Textile Organon (March 1985).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Consumption of Fibers

Consumption of all fibers by U.S. mills in 1984 amounted to 10.8 billion pounds, 3% below the 1983 total, according to the U.S. Department of Agriculture. Cotton use was 2.7 billion pounds, down 4.5%, and noncellulosic fibers, at 7.4 billion, declined more than 2%. U.S. mill consumption of raw wool (scoured basis) included 130.5 million pounds of apparel wool (2.9% above the 1983 total), and 9.8 million pounds of carpet wool (13.9% below the 1983 total).

An important factor in the downturn in mill consumption of fibers was the large quantity of imported textile products. Expressed in terms of raw fiber, imports averaged 20% of mill fiber consumption in 1982 and 1983 and 28% in 1984. Imports increased about 29% from a year earlier in both 1983 and 1984.

Total domestic consumption of fibers, including imported goods, amounted to 13.059 billion pounds, up 2.5% compared with 1983, according to the Textile Economics Bureau. Imports of man-made fiber manufactures gained over 25%; imports of cotton products rose 29%, and wool imports increased by 44%. Total domestic consumption by type of fiber in 1984 was reported as follows in billions of pounds: man-made, 8.792/8.763; cotton, 3.929/3.711; wool, .0337/.0275.

A profile of domestic consumption of fibers reported by the Department of Agriculture for 1983 compared with 1981 and 1982 follows.

Domestic Consumption of Fibers, 1981-1983 Total (Millions of pounds) & Per Capita (Pounds)

	1983			1982			1981		
	Total	% of Fibers	Per Capita*	Total	% of Fibers	Per Capita*	Total	% of Fibers	Per Capita*
All fibers**	13,555.5	100.0	57.9	11,136.7	100.0	48.0	12,264.1	100.0	53.4
Cotton	3,697.4	27.3	15.8	3,131.7	28.1	13.5	3,310.1	27.0	14.4
Wool	273.3	2.0	1.2	215.1	1.9	0.9	239.9	2.0	1.0
Rayon, acetate	618.5	4.6	2.6	542.5	4.9	2.3	724.8	5.9	3.1
Noncellulosic man-made fibers	8,966.3	66.1	38.3	7,247.3	65.1	31.2	7,989.3	65.1	34.8

* Per capita consumption is based on total U.S. population including Armed Forces overseas as of July 1.

** Flax and silk are not included. Mill consumption of flax and silk was reported at 6.7 million pounds in 1983, 10.4 million in 1982 and 5.5 million in 1981.

"Domestic" consumption refers to mill consumption plus an adjustment for the raw fiber equivalent of net U.S. trade in textile manufactures. Rayon and acetate data and non-cellulosic man-made fiber data include fiber waste.

Source: U.S. Department of Agriculture,
Cotton & Wool Outlook & Situation (May 1984).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Consumption of Fibers

A drop in fiber consumption in apparel markets in the years ahead is generally anticipated. In a presentation on fiber consumption trends at an Industrial Fabric Seminar sponsored by Clemson University in August 1984, Ken Rosett/Associates presented the following chart, pointing out that while apparel constituted 38.2% of the fiber market in 1981, it was expected to fall to only 28.4% by 1993. On the other hand, fiber consumption in home furnishings and floor coverings was expected to increase from 28.8% in 1981 to 32.7% in 1993. Industrial uses will increase according to the projections--particularly in non-wovens. However, the auto market is expected to shrink because new car models are getting smaller.

Textile Fiber Market Share, 1981-1984, Projected 1988, 1993

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984(e)</u>	<u>1988(p)</u>	<u>1993(p)</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Apparel	38.2	37.4	36.1	36.4	33.2	28.4
Home furnishings	13.6	12.9	13.5	12.8	13.6	14.6
Floor coverings	14.2	14.4	16.1	14.9	16.3	18.1
Industrial	15.3	15.5	15.6	15.5	15.8	16.4
Tires	5.1	5.5	5.1	5.7	5.8	5.9
Other	13.6	14.3	13.6	14.7	15.3	16.6

(e) estimated based on first half of 1984.

(p) projected

Source: America's Textiles (December 1984).

Yarns

According to latest available Census Bureau data covering 1983, production of spun yarns in the U.S. totaled 6,062.0 million pounds, increasing 14.7% from 1982. Increases for spun yarn production by end use were registered at 13.3% for weaving yarns, 11.9% for machine knitting yarns, 29.8% for carpet and rug yarns, 3.2% for hand knitting yarns and 4.0% for cordage and twine yarns. Tufting yarns dropped 44.6%; thread yarn dropped 0.9%

Textured yarn production in the U.S. amounted to 2,316.0 million pounds in 1983, an increase of 8.4% from 1982. Carpet and rug yarns accounted for half of the total, and were up 30% over 1972. Knitting yarns (28% of the total) declined 12.1%.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns

Production of Specified Textured & Spun Yarns by Fiber & Method of Distribution, 1982, 1983 (Millions of pounds)

	<u>1983</u>	<u>1982(r)</u>	<u>% Change 1983/1982</u>
Textured, crimped, or bulked filament yarns, total	2,316.0	2,137.1	+ 8.4%
<u>Fiber:</u>			
Nylon	1,240.5	998.7	+ 24.2
Polyester	880.4	962.3	- 8.5
Rayon, acetate, other	195.0	176.1	+ 10.7
<u>Distribution:</u>			
For sale	1,633.3	1,584.1	+ 3.1
For own use	604.4	475.3	+ 27.2
On commission	78.3	77.8	+ 0.6
Spun yarns, total**	6,602.0	5,284.3	+ 24.9
Weaving yarns exc. carpet	3,682.0	3,249.0	+ 13.3
<u>Fiber:</u>			
Cotton/chiefly cotton	1,706.8	1,487.2	+ 14.8
Wool/chiefly wool	96.4	87.8	+ 9.8
Rayon &/or acetate (chiefly)	157.2	131.6	+ 19.4
Noncellulosic fibers, total	1,719.0	1,478.0	+ 16.3
100% acrylic/modacrylic	59.7	56.2	+ 6.2
100% polyester	199.9	160.0	+ 24.9
Blends:			
Chiefly polyester-			
Containing cotton	1,200.6	1,123.5	+ 6.9
Containing other fibers	*	*	--
Chiefly acrylic/modacrylic	23.5	19.1	+ 23.0
100% nylon	30.2	26.5	+ 14.0
Blends, chiefly nylon	17.0	11.6	+ 46.6
Other spun yarns, 100%			
one fiber	30.2	22.4	+ 34.8
Sisal, hemp, jute, etc.	2.7	1.9	+ 42.1
<u>Distribution of weaving yarns</u>			
For sale	484.0	380.0	+ 27.4
For own use	3,188.1	2,851.8	+ 11.8
On commission	10.0	17.1	- 41.5
Carpet & Rug yarns	920.5	709.4	+ 29.8
Spun machine knitting yarn (exc. carpet), total	1,202.3	1,074.0	+ 11.9
<u>Fiber:</u>			
Cotton/chiefly cotton	538.8	474.7	+ 13.5
Wool/chiefly wool	22.5	18.7	+ 20.3
Spun rayon/acetate (chiefly)	*	*	--
Spun noncellulosic	637.9	576.2	+ 10.7
Principal types:			
100% acrylic/modacrylic	154.1	137.2	+ 12.3
Polyester/cotton blends	303.0	255.6	+ 18.5

(continued)

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns

Production of Specified Textured & Spun Yarns by Fiber & Method of Distribution, 1982, 1983

(Millions of pounds)

(continued)

	<u>1983</u>	<u>1982(r)</u>	<u>% Change 1983/1982</u>
<u>Distribution:</u>			
For sale	892.9	767.6	+ 16.3
For own use	300.2	299.0	+ 0.4
On commission	9.1	7.4	+ 23.0

(r) revised

* Information withheld. Involves consumption of 2.5 million pounds or less of any one miscellaneous fiber.

** The 1983 total includes 257.2 million pounds of other spun yarns (i.e. hand knitting, thread, cordage, twine, etc.).

Source U.S. Bureau of the Census,
Current Industrial Reports MA22F.

Value of Reported Domestic Yarn Shipments, 1977, 1982, 1983

(Including Interplant Transfers)

(Millions of dollars)

	<u>1983</u>	<u>1982</u>	<u>1977</u>
Spun yarn			
Cotton (carded & combed)	\$2,345.3	\$2,054.7	\$1,567.7
Rayon &/or acetate	163.2	143.5	233.5
Polyester	2,090.8	1,816.6	728.3
Noncellulosic, exc. polyester & silk	1,323.0	1,040.4	1,034.3
Wool, except carpet	120.2	106.3	177.6
Wool, carpet	11.8	12.7	37.4
Textured, crimped or bulked filament yarns	2,316.0	2,214.4	1,220.7

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Current Industrial Reports (MA22F).

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Summary of Production, Imports & Exports of Yarns, 1983 (Quantity in millions of pounds, value in millions of dollars)

	Production Quantity*	U.S. Exports		Imports For Consumption		% to Apparent Consump.** (Based on quantity)
		Quantity	Value	Quantity	Value	
Spun yarns						
Cotton	2,345.3	12.6	\$28.4	26.1	\$36.1	1.1%
Wool	132.0	0.2	1.4	7.5	47.0	5.4
Man-made:						
Cellulosic	163.2	0.3	0.8	1.0	2.2	0.6
Noncellulosic	3,413.8	30.6	65.1	31.0	60.6	0.9
All other fibers	7.8	1.6	8.7	20.6	17.1	77.1
Textured yarns						
Cellulosic	0.7	0.2	0.5	0.3	0.3	34.6
Noncellulosic	2,315.2	116.7	154.9	23.1	37.3	1.0

* Value not reported.

** Apparent consumption is equal to domestic production plus U.S. imports minus exports.

Source: U.S. Bureau of the Census,
Current Industrial Reports MA22F.

In spite of a great influx of yarns from low-labor cost areas, including Hong Kong and the Pacific Basin countries, the U.S. yarn market was reported to be picking up in the first quarter of 1985, due to the consumer demand for sweaters and knit tops.

Yarns Consumed In Fabric Consumption

Yarns Consumed in Broadwoven Fabric Mills, 1982-1984 (Millions of pounds)

	1984	1983	1982	% Change 1984/1982
Yarns consumed, total	4,594.8	4,583.2	2,884.0	+ 59.3%
100% filament	1,546.6	1,446.5	1,184.0	+ 30.6
Rayon, acetate, triacetate	150.5	151.3	87.2	+ 72.6
Polyester	486.0	526.1	447.8	+ 8.5
Saran & olefin & all other filament yarns n.e.c.	330.0	341.6	275.5	+ 19.8
Glass	168.0	153.6	130.8	+ 28.5
Nylon	309.1	273.9	242.6	+ 27.4

(continued)

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns Consumed In Fabric Production

Yarns Consumed In Broadwoven Fabric Mills, 1982-1984

(Millions of pounds)

(continued)

	1984	1983	1982	% Change 1984/1982
Spun yarns	2,934.6	3,010.6	2,609.0	+ 12.5%
100% cotton	1,213.7	1,281.9	1,102.5	+ 10.1
Carded	1,157.0	1,221.2	1,056.6	+ 9.5
Combed	56.7	60.6	45.9	+ 23.5
100% acrylic	39.0	37.0	24.5	+ 59.2
100% polyester	62.6	50.3	50.8	+ 23.2
100% rayon & acetate, rayon &/or acetate/cotton blends*	86.1	84.7	65.7	+ 31.0
Polyester/cotton blends*	1,217.2	1,249.7	1,086.7	+ 12.0
Polyester/wool blends*	41.5	23.5	25.3	+ 64.0
Polyester/rayon blends*	128.4	136.2	134.4	- 4.5
All other yarns	113.6	126.1	90.9	+ 25.0

n.e.c. not elsewhere classified

* regardless of blend level

Source: U.S. Bureau of the Census,
Current Industrial Reports (MQ22T).

Yarns Consumed in the Production of Knit Fabrics, 1981-1983

(Millions of pounds)

	1983	1982	1981
Yarns consumed, total	1,511.8	1,370.3	1,478.9
Sliver, all fibers	69.9	65.1	67.3
Filament yarns, total	518.0	483.9	577.8
Flat:			
Polyester	69.8	68.2	80.4
Acetate & triacetate	75.9	75.7	92.4
All other yarns	65.0	51.5	70.1
Texturized:			
Polyester	199.6	193.3	224.5
Nylon	93.5	83.6	94.6
All other yarns	14.1	11.6	15.8
Spun yarns, total	817.1	737.8	744.7
100% cotton	211.5	215.6	214.8
All acrylic & acrylic blends	213.2	191.2	197.4
Polyester & cotton blends	392.4	331.1	332.5
All other yarns	79.5	68.5	61.9
Yarns consumed, type not specified	27.4	25.0	27.2

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA22K.

FIBER & YARN PRODUCTION/SHIPMENTS/CONSUMPTION

Yarns Consumed In Fabric Production

Yarns & Thread Consumed in the Production of Narrow Fabrics (Millions of pounds)

	<u>1983</u>	<u>1982</u>	<u>1981</u>
Yarns:			
Cotton	29.1	26.1	31.1
Filament rayon & acetate	10.8	10.4	na
Filament nylon	30.7	30.4	32.4
Filament glass	3.3	3.6	3.9
Polyester	38.3	28.8	na
Bare rubber thread	14.1	12.1	14.0
Bare spandex thread	0.9	0.8	0.7
Covered rubber or spandex thread	1.4	1.4	1.6
Spun rayon yarns	0.8	0.9	1.5
Saran & olefin	5.9	5.8	5.8
Other yarns	19.8	18.5	35.1

na - not available

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA22G.

PRODUCTION OF TEXTILES

The Board of Governors, Federal Reserve System, compiles monthly indexes of production in the U.S. by industry type. The annual averages trace the pattern in the strong revival in the textile industry in 1983, recovering from 1982 recession lows; then the slowdown in the second half of 1984, which followed the accumulation of goods in the distribution pipeline and competition from imports.

Yarns were helped by demand in the industrial sector and in carpeting, which held up fairly well in 1984. Fabrics which were principally man-made fibers managed a gain, but most other segments of the industry lagged behind 1983 in output.

The general decline in production has continued in 1985. The Federal Reserve Board reported that capacity utilization in textile mills in April 1985 was at 77.5%, continuing the steady decline from the high of 85% reported in April 1984. The FRB production index (1977=100) for textile mill products registered 98.5 for May 1985 (seasonally adjusted) which was about 6% below the year-earlier comparison.

Domestic mills continue to be the main source of supply for the non-designer/upper-moderate and better-price apparel producers--particularly sportswear and basics, but designers prefer foreign fabrics and are taking advantage of worldwide sourcing options which are expanding rapidly. They seek the exclusivity and small quantities which are not available through American mills, as well as buying fabric in the Orient and other areas where their apparel is to be produced.

PRODUCTION OF TEXTILES

American mills are stepping up efforts to meet this competition by installing new equipment and speeding up delivery schedules, while cutting costs. In the past 10 years, the U.S. textile industry has spent about \$13 billion in plant and equipment modernization. The Catch 22 is that plants with new high technology and high investments in the U.S. must maintain a very high level of mill operating hours to justify these investments and keep high depreciation charges within bounds. They may not be in a favorable position to supply exclusive, small orders for the upper end of the market, or respond quickly to novelties and fashion changes.

The FRB has recently announced a revision in this index of industrial production, back to 1967, moving the reference year from 1967 to 1977=100. The following indexes are the "old" series, based on 1967.

Annual Average Indexes of Production, 1981-1984 (1967=100)

	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>% Change</u> <u>1984/1983</u>
All U.S. manufacturing*	164.8	148.2	137.6	150.4	+ 11.2%
Man-made fibers	234.5	236.2	204.2	254.3	- 0.7
Textile mill products	138.6	140.8	124.5	135.7	- 1.6
Fabrics (woven)	101.2	102.4	90.9	102.7	- 1.2
Cotton	64.8	67.7	60.2	66.1	- 4.3
Man-made	197.1	193.6	172.1	nr	+ 1.8
Wool	50.7	55.0	47.7	nr	- 7.8
Knit goods	186.1	187.2	172.3	186.6	- 0.6
Hosiery	236.7	237.7	212.5	229.0	- 0.4
Knit garments	160.4	161.6	151.9	165.1	- 0.7
Fabric finishing	121.4	121.5	117.7	141.8	- 0.1
Yarn & misc. textiles	144.2	139.5	116.6	121.5	+ 3.4
Carpeting	178.2	223.9	182.0	186.2	- 20.4

nr = not reported.

* All manufacturing, including both durable and nondurable manufactures.

Note: The apparel production index is not currently reported by the FRB due to a lack of reliable data.

Source: Board of Governors, Federal Reserve System (G.12.3).

The Bureau of the Census, Department of Commerce, compiles current information, based on a quarterly survey among manufacturers, of total U.S. production of broad woven fabrics (over 12 inches in width), a monthly sample survey of finishing plants (broadwoven fabrics), and annual surveys covering manufacturers of woven narrow fabrics and knit fabric mills.

Preliminary information for 1984 on U.S. production of broad woven fabrics shows a total of over 16 billion square yards, 17.1% ahead of the 1982 total and slightly (1.4%) over the 1983 total reported at 15.8 billion square yards.

The slight 1984 gain was due to a strong 1st quarter. Production of broad woven fabrics by U.S. manufacturers was at 4,194.8 million square yards in the first quarter but dropped to 3,826.3 million square yards in the 4th quarter.

PRODUCTION OF TEXTILES

Compared with 1983 production, cotton broad woven fabric (grey goods) output was down 5.1%. Man-made fiber goods did better, managing a 3.3% gain. Output of woolen and worsted fabrics gained 10.1%; silk, paper and specialty fabrics rose 44%. As previously noted, the tire market has been strong and production of tire cord and fabrics in 1984 gained 15.3% over the 1983 total.

Summary of Production Data For Broad Woven Gray Fabrics, 1982-1984 Total By Class of Fabric & Selected Major Types (Millions of square yards)

	<u>1984(p)</u>	<u>1983</u>	<u>1982(r)</u>	<u>% Change</u> <u>1984/1982</u>
Broad woven fabrics, total	16,010.5	15,796.4	13,675.0	+ 17.1%
By class of fabric				
Cotton & chiefly cotton broad woven goods*	3,977.6	4,192.2	3,794.4	+ 4.8
Duck & allied fabrics	118.3	99.0	85.9	+ 37.7
Sheeting & allied coarse & medium yarn fabrics	528.9	543.7	510.5	+ 3.6
Print cloth yarn fabrics	1,718.7	1,696.9	1,518.1	+ 13.2
Carded colored yarn fabrics:*				
Denim (clothing), incl. sport denims	589.9	698.9	543.9	+ 10.1
Toweling, washcloth, dishcloth fabrics	376.0	464.6	467.4	- 19.5
Blanketing & other napped fabrics	94.2	81.0	70.5	+ 33.6
Upholstery & tapestry fabrics	29.1	20.2	20.2	+ 44.1
Corduroys	231.5	264.6	264.6	- 12.5
Man-made fiber or chiefly man-made fiber broad woven goods*	11,640.1	11,269.9	9,590.5	+ 21.4
100% filament yarn fabrics, total	4,967.6	4,472.8	3,669.6	+ 35.4
Chiefly rayon and/or acetate	524.5	D	D	--
Chiefly nylon fabrics	549.9	485.1	419.2	+ 31.2
All other filament yarn fabrics	3,893.2	D	D	--
100% spun yarn fabrics, total	5,578.7	5,702.1	5,067.6	+ 10.1
Rayon &/or acetate fabrics	102.1	86.9	94.1	+ 8.5
Polyester/cotton blends	4,331.1	4,417.4	3,946.7	+ 9.7
All other spun yarn fabrics	1,145.5	1,197.8	1,026.8	+ 11.6
Combinations & mixtures of filament & spun yarn fabrics	1,093.7	1,094.9	853.3	+ 28.2
Silk, paper & other specialty fabrics*	234.8	190.8	169.9	+ 38.2
Silk fabrics	nr	1.2	D	--
Upholstery & tapestry fabrics	nr	158.8	127.0	--
Woolen & worsted fabrics, exc. felts	158.0	143.5	121.1	+ 30.5
Men's, boys' apparel fabrics	60.0	58.6	55.0	+ 9.1
Women's, children's apparel fabrics	88.1	79.3	60.5	+ 45.6
Nonapparel fabrics	9.9	5.6	5.7	+ 73.7
Tire cord & fabrics (millions of pounds)	625.7	542.7	498.1	+ 25.6

(r) revised (p) preliminary (nr) not reported

* Includes fabrics not separately listed.

(D) Withheld to avoid disclosure of figures for individual companies.

Source: U.S. Bureau of the Census,
Current Industrial Reports (MQ22T).

PRODUCTION OF TEXTILES

Finished Broad Woven Fabrics

Overall, the Nation's finishing plants and textile mills bleached, dyed or printed 7,154.4 million linear yards of cotton, man-made fiber and silk fabrics in 1984, according to preliminary estimates based on Census Bureau monthly reports. This was 6.8% above the 1983 total, but slightly (+0.5%) over the 1982 total.

All types of finished fabrics showed a decline compared with 1984 with the exception of printed cotton fabrics (+8.6%), which have enjoyed a healthy market due to consumer demand for printed fabrics in home textiles--sheets, towels, kitchen textiles, etc. Other growing markets for prints include uniforms for fast food operations.

Quantity of Broad Woven Fabrics Finished, 1982-1984 (Millions of linear yards)

	1984(p)	1983	1982	% Change	
				1984/83	1984/82
Finished broadwoven fabrics, total*	7,154.4	7,676.6	7,118.3	- 6.8%	+ 0.5%
Cotton (chiefly cotton)	2,662.9	2,750.3	2,519.5	- 3.2	+ 5.7
White	1,264.9	1,290.5	1,220.7	- 2.0	+ 3.6
Plain colors	913.7	1,013.7	861.3	- 9.9	+ 6.1
Prints	484.3	446.0	437.5	+ 8.6	+ 10.7
Man-made & silk (chiefly man-made or silk)	4,491.5	4,926.3	4,598.8	- 8.8	- 2.3
White	3,484.3	1,028.4	1,088.2	- 10.7	- 2.3
Plain colors		2,873.2	2,479.8		
Prints	1,007.2	1,024.7	1,030.8	- 1.7	- 2.3

(p) preliminary

* Based on a survey covering all known bleachers, dyers and printers of cotton and man-made fiber broad woven fabrics (about 350 establishments) except very small firms (generally less than five employees). Does not include finished fabrics not bleached, dyed or printed at the reporting establishment (flameproofed, sanforized, mildewproofed, mercerized, embossed, flocked, moired, plissed, schreinerized, etc.) which were reported as 77 million finished linear yards of cotton fabric for 1983, 35 million for 1982, and 528 million finished linear yards of manmade fabrics for 1983 and 300 million yards for 1982.

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA22.

PRODUCTION OF TEXTILES

Finished Broad Woven Fabrics

Production & Exports of Finished Broad Woven Fabrics, 1982, 1983 (Millions of linear yards)

	<u>Domestic Production</u>	<u>Exports</u>	<u>% Exports To Total Production</u>
<u>1983</u>			
Total broad woven fabrics	7,676.6	337.3	4.4%
Cotton fabrics	2,750.3	97.6	3.5
Man made fiber fabrics	4,926.3	239.7*	4.9
<u>1982</u>			
Total broad woven fabrics	7,118.3	306.6	4.3
Cotton fabrics	2,519.5	100.5	4.0
Man made fiber fabrics	4,598.8	206.1*	4.5

* Includes some gray fabric not separately reported in some export categories.

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA22S.

According to a study by the American Textile Manufacturers' Institute, covering world textile printing methods, in North America in the period from 1968 to 1983, the share of the market for printed fabrics accounted for by roller printing declined from 85% to 30%. Rotary printing's share in the same period grew from 10% to 50%.

America's Textiles (March 1985) estimated that at present flat-bed printing has about a 4% share of the market, with transfer printing slowly edging up to 10%. Rotary screen printing is expected to take an increasing share of total printed fabric volume, due in part to the trend to wider greige cloth, adaptation which is difficult for roller print operations, as well as the trend in short runs, requiring frequent combination and pattern changes.

Technological improvements are rapidly being developed to counter the problems encountered by finishers in running shorter lots and to generally increase productivity and efficiency in finishing plants. As a step in the battle to remain competitive with imports, mills are beginning to turn to finishing equipment controlled by microprocessors.

In the apparel fabric market, demand for prints goes in cycles. Industry spokesmen reported at the onset of year 1985 that a print cycle has started which should last at least two years. The extent to which U.S. mills and converters will benefit, however, will depend on the success of efforts to control imports. Fancy fabrics produced by American companies are faring better than basics because of the speed with which demand can be met for fast-changing fashions. Imports generally require 6 to 9 months lead time, which gives the U.S. mills the advantage in fancies, but they have been forced to sharply cut prices to meet competition in basics, or to withdraw from the market entirely.

PRODUCTION OF TEXTILES

Finished Broad Woven Fabrics

Not only are the mills faced with direct competition from imported fabrics, but they are faced with a shrinking base of customers in the U.S., as apparel manufacturers are displaced by apparel importers, and are losing customers abroad because of the strong dollar, which has priced American fabrics out of some markets overseas, and because of import barriers raised by some foreign countries.

Production of major types of finished cotton and man-made broad woven fabrics by domestic producers in 1982 and 1983 has been reported as shown below.

Production of Specified Types of Broad Woven Fabrics, 1982, 1983 (Millions of linear yards)

	<u>1983</u>	<u>1982</u>
Cotton (or chiefly cotton) finished fabrics	7,676.6	7,118.3
Duck	72.5	66.6
Sateens, twills, drills, jeans, twill weaves	280.0	254.8
Plain print cloth, carded broadcloth	486.7	426.7
Tobacco, cheese, bandage cloth	585.4	578.1
Toweling & dishcloth fabrics	584.9	483.9
Corduroys	165.2	157.7
Flannels, blanketing, napped fabrics	92.8	86.5
All other (incl. bedsheeting, drapery & upholstery fabrics, poplins, etc.)	482.7	465.2
Man-made fiber (chiefly man-made) finished fabrics	4,926.3	4,598.8
Rayon and/or acetate	389.9	331.2
Nylon and chiefly nylon	320.1	330.9
100% polyester fabrics		
Spun yarn fabrics	156.1	150.3
Filament yarn fabrics		
Nontextured yarn fabrics	119.3	99.4
Textured yarn fabrics		
Lightweight	118.1	92.4
Heavyweight	179.6	142.5
Polyester/cotton blends (chiefly polyester)	2,849.6	2,751.7
Polyester/rayon blends (chiefly polyester)	381.5	367.1
Filament polyester/spun yarn combinations (chiefly polyester, incl. textured yarn)	281.7	203.7
Other (acrylic, saran, olefin, glass, etc.)	130.4	129.5

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA22S.

Narrow Fabrics (See section on VALUE OF PRODUCT SHIPMENTS)

PRODUCTION OF TEXTILES

Knit Fabrics

Output of domestic knit fabric mills was revived somewhat in 1983 and has continued through the first three-quarters of 1984, stimulated by a pro-knit cycle and a revitalized economy. A glut of imports and the growing extent to which U.S. retailers sourced overseas--resulting in huge inventories at the retail level--were cited by knitters as the main cause of the late 1984 downturn in knit goods business, which has continued in the first quarter of 1985.

The shrinking apparel market and the need to find new markets for warp and circular knits is the major problem facing the industry. Though retail demand is expected to pick up later in 1985 for basic commodity knits and fashion fabrics as retail inventories are worked down, and, also, as large retailers reevaluate their off-shore sourcing programs, which require long lead times and large orders.

The knit fabrics industry is actively searching for new constructions and new processes to fit new nonapparel applications for all types of warp and circular knits, including home furnishings, industrial, automotive, military and medical products.

Within the apparel segment of the market, certain facets have fared better than others--including activewear fabrics. Tricot lingerie fabrics have been severely hurt in recent years by the switch in fashions toward wovens; however, there were indications early in 1985 that tricots were coming back in sleepwear and daywear.

The latest-available Census Bureau data shows production of knit fabrics in the U.S. in 1985 was over 1.5 billion pounds, 15.4% above the 1982 total and 7.0% above 1981. All the gain compared with 1981 was in the weft knit segment. Production indexes compiled by the Federal Reserve Board covering the U.S. knit goods industry (which includes products made in knitting mills other than fabrics) for the year 1984 averaged 186.1 (1967=100). This was slightly (-0.6%) below the 1983 index but 8.0% above the index for 1982.

Summary of Knit Fabric Production (Millions of pounds)

	<u>1983</u>	<u>1982</u>	<u>1981(r)</u>	<u>1980</u>
Knit fabric production	1,510	1,309	1,411	1,597
Warp knit fabric	330	289	359	407
Tricot, simplex & milanese	272	239	294	343
Raschel & raschel-crochet	58	50	65	64
Weft knit fabric	1,180	1,019	1,052	1,190
Single circular knit, incl. high pile and terry	838	703	666	688
Double knit & interlock	244	229	284	381
Rib knit	99	88	103	121

PRODUCTION OF TEXTILES

Knit Fabrics

Production of Specified Knit Fabrics by End-Use, 1980, 1983 (Millions of pounds)

	1983	1980
Warp knit yardgoods	330.0	407.0
Tricot, simplex & milanese	272.4	343.2
Underwear, nightwear, loungewear, lingerie foundations	144.6	192.9
Outerwear fabric	54.6	73.6
All other tricot fabrics	68.8	61.2
End-use not specified	4.5	15.6
Weft knit yardgoods	1,180.4	1,189.9
Single circular knit, excluding high pile, terry cloth, etc.	531.1	463.6
Underwear & nightwear	214.2	196.4
Shirts, tops, blouses, dresses	258.0	178.5
All other uses	47.8	72.3
Double knit & interlock	243.5	380.8
Outerwear apparel other than shirts	129.3	254.0
Shirts, blouses & tops	87.0	90.3
All other uses	17.4	19.7
End-use not specified	9.8	16.8

Distribution of Specified Knit Fabrics Off Knitting Machines, 1983

	Warp Knit Fabric (Based on pounds)	Weft Knit Fabric (Based on pounds)	Knit Garment Lengths Trimings, Collars (Based on quantity in dozens)
Total	100.0%	100.0%	100.0%
Produced for sale	14.2	50.0	52.0
Produced for own use	77.2	41.5	21.1
Produced on commission	8.6	8.5	26.9

Source: U.S. Bureau of the Census,
Current Industrial Reports, MA22K (Sept. 1984).

Nonwoven Fabrics

The market for nonwoven fabrics continues to expand at a good pace. Not all uses are developing at the same rate, but new markets are opening up which favor the overall outlook for this industry. The value of nonwoven fabrics consumed in the U.S. in 1984 reached an estimated \$1.56 billion, according to John R. Starr, industry consultant, with nonwovens for disposable applications accounting for \$870 million and durable end uses, \$690 million. A growth rate of 11% per year through 1990 was forecast, with the market for disposable nonwovens reaching a value of \$1.61 billion and durables rising to \$1.31 billion.

PRODUCTION OF TEXTILES

Nonwoven Fabrics

U.S. firms were reported to be producing about one billion pounds of nonwoven roll goods in 1984, and it is estimated that the annual total by the end of the decade will reach 1.7 billion pounds. The fiber component, alone, is estimated at 800 million pounds, of which polyester represents 25%. Celanese is investing heavily in efforts to expand its market share in nonwovens.

Although a slowing-down in the rate of growth is underway, the disposable diaper market continues to be a major one for nonwovens, valued at \$215 million in 1984 and expected to reach a value of \$360 million by 1990. Penetration of nonwovens in the disposable baby diaper market was only 44% ten years ago, but is close to 80% at the present time and expected to reach 90%.

Hospital-related uses are also a growing market for disposable nonwovens. This market is expected to expand from its present size estimated at \$160 million to \$285 million by 1990, according to Starr. Roll goods for wipes, a \$145 million market at present is expected to reach \$285 million by 1990.

In durable applications, the interlining market as a whole has been cut-back as a result of production of apparel overseas and imports, but nonwovens are taking a bigger share of the available domestic market, with the current value of this market estimated at \$115 million in 1984, compared with a value of \$65 million ten years ago. Construction uses, including geotextiles and roofing, are the fastest-growing markets for durable nonwovens. Valued at \$100 million in 1984, this market is expected to expand at a rate of 17% a year to hit \$245 million by 1990.

Growth in the nonwoven textile industry will be fostered by advances in the technology of producing nonwovens as well as by the development by fiber producers of new fibers with special light-weight and other characteristics needed for this specific end use.

VALUE OF PRODUCT SHIPMENTS

Preliminary estimates on the value of shipments of specified products of the textile/apparel complex for the year 1984 (subject to revision), as well as on the relationship of exports and imports in the overall supply picture, have been reported by the International Trade Administration, U.S. Department of Commerce.

Estimated Value of Shipments, Imports & Exports, 1984 (Millions of dollars)

	Cellulosic Fibers	Non- Cellulosic Fibers	Yarns (incl. wool)	Broad Woven Fabrics	Knit Fabrics	Apparel & Other Tex. Products
Product shipments*	\$1,346.0	\$8,244.0	\$5,599.0	\$17,859.0	\$4,763.0	\$57,287.0
Exports	53.1	941.1	67.1	580.2	57.7	989.0
Imports	28.5	300.5	250.8	2,120.0	28.2	14,319.0
Exports as a % of shipments	3.9	11.4	4.5	3.2	1.2	1.7
Imports as a % of apparent consumption (value)*	2.2	3.9	4.3	10.9	0.6	20.3

(footnotes continued)

VALUE OF PRODUCT SHIPMENTS

* In contrast with "industry shipments", product shipments include the value of shipments of specified products by all producers, regardless of the producer's industry classification.

** Apparent consumption is the sum of product shipments plus imports less exports.

Source: U.S. Dept. of Commerce,
International Trade Admin.,
1985 U.S. Industrial Outlook.

Based on a constant (1972) dollar value, the compound annual rate of growth of specified shipments in "real" value vs. current dollar value has been reported as follows for 1972-1983:

Compound Annual Rate of Growth (Loss), 1977-1982

	<u>Current \$</u>	<u>Constant \$</u>
Cellulosic fibers	+ 5.5%	- 2.4%
Non-cellulosic fibers	+ 4.9	- 3.5
Textile mill products	+ 3.3	- 2.0
Yarns, except wool	+ 1.5	- 3.5
Yarns, wool	+ 1.2	- 4.0
Cotton broadwoven fabrics	- 3.3	- 7.5
Man-made fiber fabrics	+ 5.5	- 1.0
Wool fabrics	+ 7.1	+ 1.4
Knit fabrics	- 3.0	- 6.7
Apparel & other textile products	+ 5.8	+ 0.2

Source: U.S. Dept. of Commerce,
International Trade Commission,
1985 U.S. Industrial Outlook.

Estimated Value of Specified Products, 1983, 1984 (Millions of current dollars)

	<u>1984</u>	<u>1983</u>	<u>% Change 1984/1982</u>	
			<u>Current \$</u>	<u>Constant \$</u>
Cellulosic fibers	\$ 1,346	\$ 1,190	+ 20.7%	+ 15.5%
Non-cellulosic fibers	8,244	7,670	- 4.5	- 7.8
Textile mill products*	53,972	50,535	+ 20.0	+ 12.7
Yarn mills, incl. wool	5,599	5,340	+ 18.3	+ 15.4
Broadwoven fabrics	17,859	16,042	+ 30.0	+ 22.1
Cotton fabrics	3,980	3,753	+ 17.0	+ 11.3
Man-made fiber fabrics	12,737	11,339	+ 33.8	+ 25.0
Wool weaving/finishings	1,142	950	+ 39.4	+ 33.5
Knit fabrics	4,763	4,338	+ 30.5	+ 20.6
Apparel & other textile products**	57,287	55,435	+ 7.3	+ 3.4

* Includes knitting mill products (knit underwear, knit outerwear, hosiery, etc.) which are not separately reported.

** Value covers "industry shipments".

VALUE OF PRODUCT SHIPMENTS

Projected Value of Fiber Shipments, 1985 Compared With 1982 & Peak Year (Dollar values in millions, constant (1972) dollars)

	<u>1985</u>	<u>1982</u>	<u>Peak Year</u>	<u>% Change</u> <u>1985/Peak</u>
Cellulosic fibers	\$ 730	\$ 554	1979	- 9.6%
Non-cellulosic fibers	5,943	4,535	1979	- 12.4

Source: U.S. Dept. of Commerce,
International Trade Administration,
1985 U.S. Industrial Outlook.

According to the American Textile Manufacturers Institute, textile shipments in 1984 amounted to \$55,237 million, 5.9% above the 1983 total reported by this source at \$52,175 million. Shipments in Feb. 1985 were at a seasonally adjusted total 11.9% below the Feb. 1984 level.

Every five years, the Census Bureau of the U.S. Department of Commerce, conducts a complete census of manufactures (as well as other types of business), which develops the most detailed information available on production, shipments and other operating data.

Findings in the 1982 census of manufactures are currently being released, and the following shows comparisons available in textile/apparel classifications compared with product shipments in 1977, on a current dollar basis (which does not adjust for inflation).

Value of Shipments of Specified Products, 1977, 1982 (Including interplant-transfers) (Millions of dollars)

	<u>1982</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Fibers			
Cellulosic	\$1,114.8	851.1	+ 31.0%
Non-cellulosic	8,637.3	6,692.3	+ 29.1
Nylon, except producer-textured	1,891.1	1,962.9	- 3.7
Acrylic & modacrylic, except textured	595.5	495.8	+ 20.1
Polyester, except producer-textured	2,679.1	1,938.6	+ 38.2
Other non-cellulosic fibers, except producer-textured	445.9	178.2	+150.2
Producer-textured non cellulose	1,519.7	890.6	+ 70.6
Non-cellulosic fibers, type not specified	18.6	5.4	+244.4

(continued)

VALUE OF PRODUCT SHIPMENTS

Value of Shipments of Specified Products, 1977, 1982 (Including interplant-transfers) (Millions of dollars)

	<u>1982</u>	<u>1977</u>	<u>% Change 1982/1977</u>
Yarns, except wool	5,261.5	4,825.8	+ 9.0
Yarns, wool	248.2	234.4	+ 5.9
Thread	614.6	551.1	+ 11.5
Throwing & winding	3,653.0	2,449.1	+ 49.2
Weaving mill products (grey goods)			
Cotton broad woven fabrics	3,635.0	4,132.0	- 12.0
Man-made fiber/silk fabrics	7,820.3	5,981.5	+ 30.7
Wool broad woven fabrics	834.0	581.3	+ 43.5
Narrow fabrics (woven, braided)	826.1	645.0	+ 28.1
Finishing mill products*			
Finished cotton broad woven fabrics	1,492.9	1,513.7	- 1.4
Finished man-made fiber/silk fabrics	3,877.2	3,264.7	+ 18.8
Finished yarn, raw stock & narrow fabrics	1,484.5	1,616.6	- 8.2
Knitting mill products	13,275.6	10,803.8	+ 22.9
Apparel (not including knitting mill products)**	43,059.0	32,031.9	+ 34.4
Other fabricated textile products (home textiles, pleating, stitching, canvas & related products, etc.)	11,340.8	9,097.4	+ 24.6

* A limited part of the value reported includes fabric finished in weaving mills.

** The value of product shipments is not currently reported for apparel. The above figures cover the value of industry shipments. (For explanation of terms, see page 4.)

Source: U.S. Bureau of the Census, 1982 Census of Manufactures
Industry Series MC82-1-22A, -22B, - 29B & preliminary
report MC82-SUM-1(P).

Narrow Fabrics

According to an industry analysis by America's Textiles (May 1985), the narrow fabric trade (including all types: woven, knitted or braided, and engineered textiles for metal and plastic reinforcements) grew in value from \$2.843 billion in 1977 to \$3.029 billion in 1982.

According to this source, a forecast done by Predicast, Inc., predicts substantial growth in narrow fabric production (4.4% through 1987), narrow fabric production for defense (7.1% through 1987), and non-paper gift wraps (8.6% through 1990). Narrow fabrics enjoy a favorable trade balance because of U.S. flexibility in custom dyeing and fast delivery.

VALUE OF PRODUCT SHIPMENTS

Narrow Fabrics

Based on a survey by mail along all known producers of woven narrow fabrics (12 inches or narrower in width), not including ribbons cut from broadwoven material, the Census Bureau has compiled the following statistics on quantity and value of shipments in 1983 and in 1982.

Quality & Value of Specified Types of Narrow Fabrics, 1982, 1983 (Including interplant transfers) (Millions of linear yards & millions of dollars)

	1983		1982	
	Quantity	Value	Quantity	Value
Narrow fabrics, woven & braided	X	\$ 796.9	X	\$ 723.3
Woven	X	640.9	X	572.8
Elastic narrow fabrics	1,545.2	196.4	1,323.4	172.8
Nonelastic	X	444.4	X	400.0
Ribbons, woven edge	954.7	80.8	997.5	79.9
Woven labels (mil. labels)	5,422.3	77.6	4,707.6	68.4
Tapes	2,393.2	88.4	2,251.3	83.4
Webbing	888.2	116.8	697.3	102.9
All other woven, nonelastic narrow fabrics	X	80.7	X	65.4
Braided	X	148.7	X	143.9
Type not specified	X	7.3	X	6.6
Knitted narrow fabrics	254.9	38.8	249.1	36.5

X Not applicable because of differences in units of measure of component products.

Note: The above represents quantity and value of products made from own materials and excludes production made from materials owned by others.

Source: U.S. Bureau of the Census,
Current Industrial Reports
(MA22G(83)-1.

The value of shipments of woven narrow fabrics reported in the complete 1982 census of manufactures was \$807.7 million. Included in this total (but not in the CIR) are shipments of covered rubber thread, valued at \$60.3 million in 1982.

Information on the quantity of production and the value of shipments of specific types of apparel is compiled on a current basis by the U.S. Census Bureau based on a survey of manufacturers, not including very small firms (usually less than five employees), and issued in reports in the Current Industrial Reports series.

The value of shipments reported for classifications of apparel covered in this source in 1983 and 1982 was as follows.

VALUE OF PRODUCT SHIPMENTS

Value of Shipments of Major Categories of Apparel, 1982, 1983 (Millions of dollars)

	<u>1983</u>	<u>1982</u>	<u>% Change</u> <u>1983/1982</u>
Total reported classifications of apparel*	\$34,557.2	\$30,093.4	+ 14.8%
Men's & boys' wear, total	14,278.6	13,808.5	+ 3.4
Men's wear, total	12,397.0	11,995.9	+ 3.3
Suits, coats, rainwear, dress & sport coats, vest	2,344.1	2,304.4	+ 1.7
Shirts (woven, knit), sweaters	2,716.0	2,761.3	- 1.6
Trousers, jeans, slacks, shorts	3,661.0	3,347.9	+ 9.3
Outerwear jackets, exc. leather	621.3	699.8	- 11.2
Activewear (men's & boys')	987.0	892.6	+ 10.6
Work wear	951.1	960.3	- 1.0
Underwear, nightwear	1,116.5	1,029.6	+ 8.4
Boys' wear, total	1,881.6	1,812.6	+ 3.8
Outer apparel**	999.2	1,593.3	- 37.3
Underwear, nightwear	182.4	219.3	- 16.8
Women's & children's wear, total	20,278.6	19,301.8	+ 5.1
Women's, misses', junior wear, total	17,250.8	16,284.9	+ 5.9
Dresses	3,375.9	3,186.2	+ 5.9
Suits, coats, raincoats	1,254.4	1,218.2	+ 3.0
Jackets	1,016.7	998.4	+ 1.8
Separates (blouses, shirts, skirts, pants, tops, bottoms, sweaters)	8,324.2	7,854.8	+ 6.0
Activewear	685.1	630.4	+ 8.7
Playwear	220.6	193.4	+ 14.1
Washable service apparel	269.2	254.0	+ 6.0
Daywear, nightwear, foundations	2,104.7	1,949.5	+ 8.0
Girls', children's, toddlers', infants' wear	3,027.8	3,016.9	+ 0.4

* Covered categories do not include hosiery, accessories, leather apparel, millinery or furs.

** Boys' activewear is included in with men's activewear.

Source: U.S. Bureau of the Census,
Current Industrial Reports.

PRODUCER PRICE LEVELS

Producer (Factory) Price Index, 1983, 1984 & March 1984, 1985
(1967 = 100, unless otherwise noted)

	March Average (Unadjusted)			Annual Average		
	1985	1984	% Change 1985/1984	1984	1983	% Change 1982/1983
Industrial commodities	322.6	321.9	+ 0.2%	322.6	315.7	+ 2.2%
Textile products & apparel	210.4	209.9	+ 0.2	209.9	205.1	+ 2.3
Selected tex. mill products*	142.6	141.5	+ 0.8	142.1	138.2	+ 2.8
Synthetic fibers*	156.6	161.2	- 2.9	159.6	156.7	+ 1.8
Processed yarns & threads*	141.4	143.8	- 1.7	142.7	138.5	+ 3.0
Gray fabrics*	152.5	152.9	- 0.3	153.7	147.0	+ 4.6
Finished fabrics*	127.1	127.1	-0-	126.6	123.1	+ 2.8
Apparel products	203.2	200.7	+ 1.2	201.1	197.4	+ 1.9
Women's wear	180.9	179.8	+ 0.6	179.1	176.8	+ 1.3
Men's wear	229.8	225.8	+ 1.8	227.2	222.4	+ 2.2
Infants' & children's wear	203.7	135.4	+50.4	136.6	134.0	+ 1.9
Textile housefurnishings	240.6	237.1	+ 1.5	239.2	235.1	+ 1.7
Final textile products, n.e.c.*	135.1	135.1	-0-	135.3	134.8	+ 0.4
Carpets & rugs	167.1	164.0	+ 1.9	166.7	162.5	+ 2.6

* Dec. 1975 = 100

n.e.c. not elsewhere classified.

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

In 1984, according to the American Textile Manufacturers Institute, U.S. imports of textiles and apparel totaled 10.2 billion square yard equivalents, a 37% increase over 1983's record level. In dollar value, imports were up 44.7%, while exports gained only 1%. This resulted in the \$16.2 billion textile and apparel trade deficit for 1984, which was 53% higher than 1983's record level of \$10.6 billion. The 1984 deficit represented 13% of the total U.S. merchandise trade deficit last year. (\$123 billion).

FOREIGN TRADE

U.S. Trade Balance in Textiles/Apparel, 1983, 1984
(Millions of dollars)

	<u>Imports (c.i.f.*)</u>			<u>Exports (f.a.s.)**</u>			<u>Balance</u>		<u>% Change</u>
	<u>1984</u>	<u>1983</u>	<u>% Chg.</u>	<u>1984</u>	<u>1983</u>	<u>% Chg.</u>	<u>1984</u>	<u>1983</u>	<u>1984/83</u>
Total	\$19,386.9	\$13,752.4	+41	\$3,189.1	\$3,185.2	+0.1	-\$16,197.8	-\$10,567.2	+ 53
Textiles	4,874.1	3,460.2	+41	2,381.8	2,367.7	+0.6	- 2,492.3	- 1,092.5	+128
Apparel	14,512.8	10,292.2	+41	807.3	817.5	-1.2	- 13,705.5	- 9,474.7	+ 45

* c.i.f.: This value includes the price actually paid for the merchandise plus all shipping charges, insurance, etc., incurred in bringing the shipment to the first port of arrival in the U.S. U.S. import duties are not included in the c.i.f. value.

**f.a.s.: (free alongside ship) value at the U.S. port of export, including the transaction price, inland freight, insurance and other charges in bringing the shipment to the carrier at port of exportation.

Source: ATMI based on U.S. Department of Commerce reports.

In terms of square yard equivalents (SYE), man-made fiber textile/apparel imports amounted to 57.5% of textile/apparel imports in 1984 (58.7% in 1983); cotton, 39.9% (vs. 38.9%); wool, etc., 2.7% (2.3%).

U.S. Imports of Textiles/Apparel, 1983, 1984
(Million SYE)

	<u>1984(p)</u>	<u>1983</u>	<u>% Change</u> <u>1984/1983</u>
Total	10,169.8	7,705.9	+ 32.0%
Man-made fiber, total	5,847.7	4,524.1	+ 29.3
Yarns	1,029.1	686.2	+ 50.0
Fabrics	967.7	770.4	+ 25.6
Apparel	2,838.1	2,363.7	+ 20.1
Made-up & miscellaneous	1,012.7	703.7	+ 43.9
Cotton, total	4,062.1	3,000.9	+ 35.4
Yarns	218.0	165.5	+ 31.8
Fabrics	1,528.9	1,067.2	+ 43.3
Apparel	1,733.8	1,392.1	+ 24.5
Made-up & miscellaneous	581.3	376.1	+ 54.5
Wool, total	260.0	180.9	+ 43.7
Yarns	32.3	16.1	+100.6
Fabrics	49.5	33.0	+ 50.0
Apparel	158.9	118.5	+ 34.1
Made-up & miscellaneous	19.3	13.3	+ 45.1

(p) preliminary

Source: ATMI based on U.S. Department of Commerce,
Office of Textiles & Apparel reports.

FOREIGN TRADE

Import totals surged in the 1st half of 1984. There was a tremendous build-up of inventory of imported goods in the U.S. as consumer demand fell at the same time. These conditions have continued in the first half of 1985. The total value of imports of textiles and apparel in the first four months this year reached more than \$6.5 billion, up 7.1% compared with the same 1984 period.

Due to the strong U.S. dollar, which has made American products expensive for foreign customers, to the growth in competition from foreign suppliers, and poor economic conditions in some areas, U.S. exports have suffered. The decline in textile/apparel product exports, in general, continues while the strong dollar works to the advantage of foreign suppliers. The combined value of exports of textiles and apparel by the U.S. in January-April 1985 fell 3.8% compared with the same 1984 period, reaching \$1.115 billion in value, according to the American Textile Manufacturers Institute.

The following estimates on imports and exports in 1984 were compiled by the International Trade Administration.

Value of Imports & Exports of Textiles & Apparel, 1982, 1984 (Millions of dollars)

	Imports			Exports		
	1984(e)	1982	% Change	1984(e)	1982	% Change
Man-made fibers						
Cellulosic	\$ 28.5	\$ 21.4	+ 33.2%	\$ 53.1	\$ 70.4	- 24.6%
Non-cellulosic	300.5	91.7	+227.7	941.1	1,083.0	- 13.1
Textile mill products	3,764.0	2,225.0	+ 69.2	1,565.0	1,766.0	- 11.4
Yarns	250.8	121.9	+105.7	67.1	90.3	- 25.7
Broad woven fabrics	2,120.0	1,244.0	+ 70.4	580.2	734.4	- 21.0
Cotton	979.2	474.9	+106.2	174.0	241.3	- 27.9
Man-made fiber	953.2	654.9	+ 45.5	399.9	487.3	- 17.9
Wool	187.5	114.5	+ 63.8	6.3	5.8	+ 8.6
Knit fabrics	28.2	17.6	+ 60.2	57.7	55.6	+ 3.8
Apparel & other textile products	14,319.0	8,432.0	+ 69.8	989.0	1,236.0	- 20.0

(e) estimated

Source: U.S. Dept. of Commerce, International Trade Administration
1985 U.S. Industrial Outlook.

According to a study by the International Trade Commission (ITC), reported in May 1985, textile and apparel imports fluctuated with no definite trend in the period 1974 through 1980. But between 1980 and 1984, U.S. imports of foreign textiles, and apparel doubled, from 4.9 billion SYE in 1980 to 9.8 billion SYE last year, and it appears that another increase will be registered this year.

An analysis of apparel sourcing in the U.S. made by Kurt Salmon Associates (March 1985) showed an estimated 26% of U.S. apparel (dollar value) is sourced overseas. Slightly less than half of this is sourced directly by retailers--about 13%. Year-to-year growth in imports of apparel averaged 12.5% from 1972 to 1984. Through 1983, the growth rate was lower--10.4%, but the big surge in 1984 pushed up the average rate.

FOREIGN TRADE

The impact of imports varies by product type and industry claims vary. According to figures compiled by DuPont, imports in 1984 accounted for 43% of fiber poundage represented by the textile/apparel market in the U.S., 10% of home-furnishings, 8% of carpeting. Within the apparel market, the most heavily affected by imports include sweaters, gloves, body-support garments, women's coats and blouses, all of which had import penetration levels of 43% or more in 1983, according to the ITC. The International Ladies' Garment Workers' Union (ILGWU) claims that one out of every two garments sold in the U.S. --including men's, women's and children's--is an import.

Hourly earnings in the U.S. textile mill products industry averaged \$6.46 in 1984 and in the apparel and other textile products industry, \$5.53. This compares with an average textile wage of 30 cents an hour in China, 50 cents in the Philippines, \$1.75 in Taiwan and \$2.10 in Hong Kong. (Daily News Record, June 7, 1985).

At mid-year 1985, all levels of the textile/apparel complex in the U.S. is entering a crucial period in regard to imports--at the government level and in inter-company relationships within the manufacturing/distribution/retailing chain.

On a broad basis, U.S. global commitments and relationships with the European Economic Community (EEC) are involved. The Multi-Fiber Arrangement (M-FA), developed by the EEC, and adhered to by the U.S., expires in July 1986. Since 1974, this arrangement has controlled trade in textiles and apparel by providing the legal framework for a series of bilateral agreements among 50 participating countries in order to provide for the orderly development of international trade in textiles and apparel. Unrelated curbs involving quotas can be imposed where a threat of serious market disruption exists. The U.S. has recently decided to impose such controls on imports of textiles and apparel from Brazil, after a failure in negotiations to renew a bilateral agreement.

The M-FA will expire in July 1986, and meetings will begin in June 1985 to discuss its future. The U.S. government has taken a number of steps to curb imports by negotiating 34 bilateral agreements establishing import quotas under the M-FA provisions and tightening rules on country-of-origin. However, additional restrictions are needed if the domestic industry is to survive.

Problems to be faced include leaks in the quota system, including rules governing imports from Third World countries which are not included in the M-FA rules (these countries are pressuring for the abandonment of these controls), the "flexibility" provisions under M-FA rules, and holes in the coverage by fiber type.

The flexibility provisions have enabled larger textile/apparel exporting countries--including China, Korea, Hong Kong and Taiwan--to greatly increase their shipments to the U.S. in spite of quotas by shifting quotas from one category to another, by borrowing quotas from a future year or carrying forward quotas from a previous year, according to an ITC study. The ITC further notes that imports of non-MFA fibers, such as silk, linen and ramie, have soared in the absence of import restraints.

FOREIGN TRADE

So-called "controlled imports" to the U.S. are reported to be rising at a 25% to 30% annual rate, while uncontrolled imports are exploding at a 70% to 80% rate. The U.S.'s new country-of-origin regulations are viewed as resulting in more and more fabric being purchased and cut in quota-free countries.

The Textile and Apparel Trade Enforcement Act of 1985 was introduced in Congress in March 1985. This is designed to rollback quotas and has the enthusiastic support of fiber producers, mills, apparel manufacturers, and unions, but not the Administration, which takes the position that the bill violates the Multi-Fiber Arrangement and the agreements that the U.S. has negotiated under MFA rules. Retailers, too, are generally opposed to the provisions of the bill.

Meanwhile, the fiber and textile mill companies have launched a major public relations campaign, Crafted With Pride in the USA, to make the American consumer more aware of the plight of U.S. producers, and to convince consumers to buy American apparel.

A partial solution for the apparel industry in competing with imports--and for the textile industry, too, to the extent that American fabrics are used--lies in the use of duty provision Item 807. This allows U.S. firms to ship components to foreign operations that assemble the final product and ship it back to the U.S., where duty is levied only on the value added abroad, rather than on the total value. Some U.S. textile mills, as well as apparel manufacturers, are involved successfully in 807 operations, particularly in the Caribbean, and this is growing.

Efforts are being made to liberalize quotas covering apparel imports from the Caribbean basin, establishing a two-quota system under which American fabrics and yarns would be given an additional quota under Item 807. However, textile industry support is lessening as it is viewed as possibly a divisive agent in mustering the strong coalition of support needed for passage of the Textile and Apparel Enforcement Act of 1985.

Maintaining a unified stand on the import problem among the diversified group affected by textile/apparel imports is virtually impossible. While operations of apparel cutters conducted abroad under Item 807 benefit mills to the extent that American fabrics are used, some large companies have established their own operations abroad and are using foreign fabrics in these operations as well as in U.S. plants.

Compounding the problem has been the great growth in off-shore sourcing by retailers. While many were burned by over-ordering in 1984, and are also becoming aware of problems in financing deliveries, in re-orders and the need for advance orders when sourcing abroad, there is still a strong interest among retailers in imports to maintain competitive exclusivity and to provide private label merchandise. Retailers are also very concerned about maintaining their sources of supply on lower priced merchandise which is viewed as essential to compete in the discount/off price/special price promotion atmosphere that dominates today's retailing picture. U.S. apparel buyers currently sourcing in the Far East claim that if restrictive textile import legislation is enacted, consumer prices will rise at least 20 to 30%, while importers scramble to find new suppliers.

FOREIGN TRADE

An analysis of present and projected sources of supply the U.S. apparel market has been compiled by Kurt Salmon Associates, and is summarized below.

Present & Projected Sources of Supply To The U.S. Apparel Market

	<u>1983</u>	<u>1984</u>	<u>Projected</u> <u>1995</u>
Apparel retail sales, total (billions)	\$ 97	\$ 105	\$ 128
Share accounted for by			
Domestic supplies	75.0%	72.3%	50.0%
Item 807	1.4	1.5	5.0
Imports	23.6	26.2	45.0
Cost of goods sold or landed duty- paid (billions of constant 1984 \$)			
Apparel, total	\$ 45.0	\$ 48.6	\$ 59.2
Domestic	33.8	35.1	29.6
807	0.6	0.7	3.0
Imports	10.6	12.8	26.6
Direct by retailers	5.0	6.5	9.4

Source: Kurt Salmon Associates, 3rd Annual Sourcing Report,
(March 1985).

In late May 1985 several big U.S. retailers announced plans for a major advertising campaign to counteract the textile industry's major promotion, Crafted With Pride in U.S.A., which is designed to get consumers to buy American-made apparel and other textile products. The retailers' effort, sponsored by the Retail Industry Trade Action Coalition (RITAC), has been launched in opposition to pending governmental action, and calls for a system of totally free trade, with the argument that current trade restrictions cost the American consumer billions of dollars annually in "hidden costs", quoted at \$23 billion in 1984. (including \$4 billion due to quotas and \$19 billion in tariffs).

CAPITAL EXPENDITURES, TEXTILE & APPAREL MACHINERY & EQUIPMENT

Expenditures for New Plant & Equipment

In addition to the activities described above, the textile industry has been making major efforts to compete with imported fabrics and apparel through plant modernization as well as adopting new methods of automation which speeds up the handling of orders and reorders, and produces short runs to customer specifications. Such efforts have been much more pronounced among the textile mills than in the apparel industry. The latter is faulted by the textile segment for manufacturing investments in the Far East, and for concentrating marketing efforts in the U.S. and building brand names rather than domestic production, particularly in the last few years.

Figures on total capital expenditures (new) are reported in the GENERAL INDUSTRY STATISTICS section of this Fact File, based on the 1982 census of manufactures. Compared with the year 1977, spending by the Textile Mill Products Industry rose 28.3% (Current \$ basis) spending by the Apparel Industry rose 49.4%; by the non-cellulosic man-made fibers industry up 30.9%.

Textile Mill

Modernization efforts in the textile industry have focused on equipment and techniques which increase productivity, including computer-aided automated equipment, shuttleless looms, and open-end spinning. Ahead may be greater reliance on robots, as well as on computers and automation in both textile and apparel jobs.

Ringless spindles, used in yarn spinning operations, have an efficiency rate two or three times that of conventional spindles. Although ringless spindles only represent a small proportion of the total spindles in operation, over one-fourth of replacement spindles are ringless.

Shuttleless looms have greatly increased the speed and efficiency of woven fabric production, while requiring less floor space than conventional looms.

Expenditures for new plant and equipment by the textile industry reached a record total of \$1.92 billion in 1984, about 24% over the 1983 total. On a constant dollar basis, 1984 expenditures were up 22% compared with 1983--the highest gain in "real" terms since 1974. Based on planned capital expenditures reported by business in April and May 1985, the textile industry is expected to spend \$2.08 billion (current dollars) in 1985 on new plant and equipment, representing a gain of 8.3%, according to the Bureau of Economic Analysis, U.S. Department of Commerce. This is in contradiction to trade reports indicating plants to cut back on spending due to the pressure of rising imports and to the decline in exports.

CAPITAL EXPENDITURES, TEXTILE & APPAREL MACHINERY & EQUIPMENT

Textile Mills

New Plant & Equipment Expenditures by Textile Mills, 1974-1984 (Billion of dollars)

<u>Year</u>	<u>Current \$</u>	<u>Constant (1972) \$</u>
1974	\$ 1.06	\$.91
1975	.86	.64
1976	.98	.69
1977	1.18	.79
1978	1.31	.81
1979	1.42	.80
1980	1.54	.80
1981	1.66	.81
1982	1.46	.69
1983	1.55	.72
1984	1.92	.88

Source: U.S. Department of Commerce,
Bureau of Economic Analysis
Survey of Current Business (Feb. 1985).

As noted above, data on total capital expenditures by broad industry groups based on census of manufactures' reports issued by the Census Bureau are covered in the GENERAL INDUSTRY STATISTICS section. The detailed Industry Series reports issued by the Census Bureau should be referred to for details on spending for machinery on a 4-digit SIC code basis. This information has been compiled through a special survey by mail of all large manufacturing establishments and a proportionate sample of medium and small establishments.

Spending For Machinery & Equipment By Specified Mills, 1982 (Millions of dollars)

	<u>Weaving Mills Cotton</u>	<u>Weaving Mills Man-made Fiber</u>	<u>Knit Fabric Mills Circular Knit</u>	<u>Warp Knit</u>
Gross book value of depreciable assets-- Machinery & equipment				
Beginning of year	\$ 1,694.2	\$ 3,530.6	\$ 742.3	\$ 436.9
New expenditures	234.5	331.2	54.7	35.5
Autos, trucks, etc., for highway use	0.4	1.1	1.4	0.4
Computers & peripheral data processing equipment	4.0	4.2	1.3	0.8
All other machinery/equipment	230.1	325.9	52.0	34.4
Used capital expenditures	10.9	20.2	8.4	14.6
Retirements	104.2	204.1	97.4	34.0
End of year	1,835.4	3,677.8	708.0	452.8

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982, Industry Series
(Above based on a sample survey).

CAPITAL EXPENDITURES, TEXTILE & APPAREL MACHINERY & EQUIPMENT

Apparel & Other Mills Products

Technological innovations in the apparel industry have been undertaken primarily by the larger firms, which is to be expected in view of the composition and labor-intensive character of this industry. The new techniques require considerable capital investment and are best suited to large-scale operations, where they have the biggest impact on labor costs.

Recent developments in the apparel industry include the use of lasers to cut fabrics, computer-aided pattern design, and programmable automatic sewing machines. The application of these techniques is limited, however, because of the frequent changes in fashion which requires frequent adjustments of equipment.

Current fashion trends toward "upscale", more detailed, higher quality apparel have meant more labor time per garment. The industry is examining new techniques using robotics and an integrated "cell" approach to reduce labor costs and improve output consistency. The extent to which these new developments prove successful and are adopted will determine the outcome on the survival of the domestic apparel industry.

The TC Square project of the Draper Laboratories is developing an automated sewing system capable of positioning fabrics at the sewing head and automatically pinning them, without the aid of an operator.

The following table indicates the type of information available in the Industry Series of the 1982 census of manufactures' reports (this based on a sample survey as opposed to a complete census), on machinery and equipment in components of the apparel industry.

Spending For Machinery & Equipment By Specified Cutters, 1982
(Millions of dollars)

	<u>Women's & Misses' Dresses</u>	<u>Women's & Misses' Coats & Suits</u>	<u>Men's & Boys Shirts/Nightwear</u>
Gross book value of depreciable assets--	\$ 358.9	\$ 404.0	\$ 365.9
Machinery & equipment			
Beginning of year	253.8	226.0	224.6
New expenditures	25.8	21.6	30.2
Autos, trucks, etc., for highway use	1.1	2.7	0.7
Computers & peripheral data processing equipment	3.6	0.4	1.8
All other machinery/equipment	21.3	18.6	27.8
Used capital expenditures	0.7	1.4	1.7
End of year	28.7	25.8	20.7

Source: U.S. Bureau of the Census,
Census of Manufactures 1982, Industry Series
(Above based on a sample survey).

CAPITAL EXPENDITURES, TEXTILE & APPAREL MACHINERY & EQUIPMENT

Textile Machinery in U.S. Mills

Cotton System Spindles, 1981-1983 (Annual Averages)

	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Spindles in place (thousands)	14,521	15,640	16,086	16,744
Spindles active (thousands)	13,548	14,242	14,179	15,435
Hours operated per active spindle*	6,242	6,278	5,487	5,885

* Based on spindle hours operated by spindles active at the end of the period.

Source: American Textile Manufacturers Institute, Inc.

Knitting Machines Producing Knit Fabrics, 1980-1983 (Machines operating on last day of the year)

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
Knit fabric machinery, total	25,955	26,677	30,700	34,485
Warp knit fabrics, total	5,459	5,137	6,243	7,159
Tricot, simplex & milanese	3,527	3,345	4,032	4,579
Raschel, raschel-crochet	1,932	1,792	2,211	2,580
Weft knit fabrics, total	20,496	21,540	24,457	27,326
Single circular knit fabrics	12,770	13,058	13,775	13,776
Double knit & interlock	4,408	4,833	5,332	8,368
Rib, other than double knit & interlock	3,318	3,649	4,850	5,182

Source: U.S. Bureau of the Census,
Current Industrial Reports (MA22K).

Broad Woven Fabric Machinery in Place At End of Year, 1981-1984

	<u>1984</u>	<u>1983</u>	<u>1982(r)</u>	<u>1981</u>
Looms, total	181,511	193,872	214,693	250,966
Single shuttle cam looms	81,532	92,848	121,555	140,636
Single shuttle dobby looms	27,307	30,333	29,980	44,242
Multiple shuttlebox or head motion looms	9,911	10,890	10,799	13,419
Double shuttle pile & plush jacquard looms	5,346	6,199	6,096	7,847
Shuttleless looms & weaving machines	57,415	53,602	46,263	44,822
Single filling insertion	40,223	37,664	33,368	34,261
Multiple filling insertion	17,192	15,938	12,895	10,561

CAPITAL EXPENDITURES, TEXTILE & APPAREL MACHINERY & EQUIPMENT

Textile Machinery in U.S. Mills

Narrow Fabric Machinery in Place At End of Year, 1981-1983

	<u>1983</u>	<u>1982(r)</u>	<u>1981</u>
Narrow fabric machinery, total	3,790	3,661	4,430
Tape looms	2,404	2,373	2,920
Webbing looms	1,327	1,130	1,383
Multiple or gang shuttle elastic looms	279	369	470
Shuttless elastic looms	3,445	3,301	3,355
Braiders	68,263	68,777	68,563

(r) revised.

Source: U.S. Bureau of the Census,
Current Industrial Reports (MO-22T, MA-22G).

TEXTILE MACHINERY INDUSTRY

According to the International Trade Administration, U.S. Department of Commerce (1985 U.S. Industrial Outlook), industry shipments for all products and services supplied by the U.S. textile machinery industry, after adjusting for inflation, rose 5% from 1983 reversing 4 consecutive years of declining sales. An increase of 3.2% in terms of constant dollars was projected for 1985 over 1984. From 1985 through 1989, according to the ITT, textile machinery shipments are expected to increase 2 to 3% annually in constant dollars.

Based on the recently-issued final industry report from the 1982 census of manufactures, the industry profile was as follows.

Textile Machinery Industry (SIC 3552*), 1977, 1982

	<u>1982</u>	<u>1977</u>	<u>% Change</u>
Companies (number)	512	599	- 14.5%
Establishments (business locations)	551	638	- 13.6
With 20 employees or more	197	217	- 9.2
All employees (thousands)	19.4	25.9	- 25.1
Production workers	12.8	18.3	- 30.0
Payrolls (millions of \$)	322.9	300.8	+ 7.3
Value added by manufacture (millions of \$)	641.4	539.4	+ 18.9
Value of shipments (millions of \$)	1,059.0	950.0	+ 11.5
New capital expenditures (mil. of \$)	46.1	32.2	+ 43.2

* SIC (Standard Industrial Classification) Industry 3552 covers establishments primarily engaged in manufacturing machinery for the textile industries, including parts, attachments and accessories. Domestic and industrial sewing machines are not included.

(For an explanation of other terms in the above table, see 3 and 4.)

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series, (MC82-1-35D).

TEXTILE MACHINERY INDUSTRY

Product Shipments

According to the ITA, the value of textile machinery shipped by all producers, regardless of industry classification, amounted to \$1.0 billion in 1984, 8.0% above the 1983 estimate of \$944 million. On a constant dollar basis, 1984 sales were 4.9% above 1983, and an increase of 3.2% is projected for 1985. Future markets for U.S. textile machinery include retooling existing textile mills and automating equipment in place. The U.S. represents the largest single market for textile machinery, despite the inroads of textile imports and imports of weaving and spinning equipment. The U.S. is strongest in yarn processing and preparation equipment and in finishing/dyeing equipment.

Major types of textile machinery and equipment shipped in 1982, based on census of manufactures reports, include the following.

Value of Shipments of Textile Machinery & Equipment
By All U.S. Producers, 1977, 1982
(Millions of dollars)

	<u>1982</u>	<u>1977</u>
Total shipments	\$ 965.5	\$ 857.1
Textile machinery	454.3	361.6
Parts & attachments	390.0	405.2
Type not specified	121.3	90.3

Source: U.S. Bureau of the Census,
Census of Manufactures,
Industry Series (MC 82-1-35D).

Exports

According to the ITA, exports represented about 25% of product shipments in 1984, reaching a total value of \$255 million. This was 25.8% above the 1983 total, but 5.7% below the 1982 value of exports. However, exports were expected to increase by more than 5% in 1985, according to the ITT, dominated by parts and accessories for U.S. equipment already in place overseas.

Canada is the largest single customer for U.S. machinery and equipment, accounting for 17% of U.S. textile machinery exports in 1984. Other leading markets include West Germany (8%), United Kingdom (7.9%), and the Republic of China (4%).

Imports

The value of textile machinery and equipments imports into the U.S. reached \$860 million in 1984, jumping 23.2% over the 1983 total, according to the ITT. Over 26% of these imports are in weaving equipment and parts and about 16% in spinning equipment and parts.

The ITA looks for a gain of about 4.7% in value of imports in 1985 compared with 1984, bringing the total to some \$900 million, as acceptance of U.S. technological developments in a wide range of machinery applications and adaptations becomes more widespread. However, the poor textile climate in the U.S. and the strength of the dollar in Europe may result in a disappointing year for some overseas producers.

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

COATS, SUITS, RAINWEAR, AND FURS (WOMEN'S, MISSES' AND JUNIORS'): Details number of manufacturers by employment size, cuttings, and value of shipments. Also covered at the industry level are price trends and imports/exports. At the retailer level, data is presented on estimates of retail volume, merchandising and operating results, and seasonal patterns in advertising. Also focuses on consumer buying habits and plans. (August)

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now--1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES: (Including selected major apparel specialty store sales) Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sale information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1984 Edition available now--1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits. (1984 Edition available now--1985 Edition will be available in August, 1985).

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (Includes a new consumer buying intention survey) (October)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: (Including Tailored Casual Wear) Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and physical fitness.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued this year by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons are made with findings in the last previous census, covering operations in 1977. (December)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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**Women's Coats,
Suits, Rainwear
and Furs**

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Prepared by
Market Research Division
Audrey S. Balchen, Director
Gregory Becker, Research Analyst

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WOMEN'S COATS, SUITS & RAINWEAR

Market Trends

Due primarily to the interest of working women in more conservative, professional-looking apparel with a familiar brand name, retailers of women's coats and suits, as well as rainwear are predicting that sales' gains in 1985 should register more than 10% compared with 1984. After reporting one of their best spring seasons in recent history, many retailers are said to be writing orders for the fall 1985 season for as much as 25% greater than last year.

Despite the growth of the industry at retail, not all manufacturers are sharing equally in the growth. Surging imports are seen as siphoning off an increasing portion of domestic spending. As a result of this, production, employment and shipments have all declined in 1984, with the trend continuing through the first quarter of 1985.

Many in the women's coat and suit industry are still attempting to recover from a difficult year in 1984, one which was marked by over-stocked inventories and severe price cutting to clear unwanted goods. However, as 1985 progresses, retailers report they are working closer with suppliers to avoid a repeat of this situation.

The influx of designers into the coat and suit market has been a tremendous plus for retailers. Customers are becoming more aware of quality and associating it with designers, and thus demanding more designer products in this category.

Color has become a key to growth in the coat & suit industry, though retailers report that new--not wild--is what is creating sales. Other major factors in promoting growth for the industry are more and better tweeds, luxurious fabric treatments and roomy, but not over-sized, shapes.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The International Trade Administration, U.S. Department of Commerce, reports in the 1985 U.S. Industrial Outlook that industry shipments in the women's suit & coat industry surpassed \$5 billion in 1984. In current dollar terms, the ITA estimates that the value of industry shipments rose 4.2% between 1983 and 1984; while on a constant (1972) dollar basis, the rise was estimated to be 1.8%. Overall the industry has registered a growth rate in real terms of 5.1% per year on the average between 1977 and 1982.

GENERAL INDUSTRY STATISTICS

Estimated Value of Industry Shipments Women's, Misses' & Juniors' Suit & Coat Industry (SIC 2337)* 1983, 1984 (Billions of dollars)

<u>Current Dollars</u>		<u>Constant (1972) Dollars</u>		<u>Compound Annual Growth Rate**</u>	
<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>	<u>1972-1982</u>	<u>1977-1982</u>
\$5,007	\$4,805	\$3,509	\$3,447	+ 6.6%	+ 5.1%

** In constant (1972) dollars.

Source: U.S. Department of Commerce,
International Trade Administration,
1985 U.S. Industrial Outlook.

The 1982 census of manufactures compiled by the U.S. Census Bureau covers the latest available information on the women's, misses' and juniors' suit and coat industry, as well as the waterproof outer garments industry at the manufacturer level. The census is conducted every five years, e.g.: the census previous to 1982 covered the 1977 operations.

The Census Bureau reports that between 1977 and 1982, the value of industry shipments in the suits and coats segment rose 67.5%, while the rainwear group, industry shipments were up 28.8%. Value added by manufacture also rose significantly during this period, rising 44.4% in the suit and coat industry and 26.5% in the rainwear industry.

The number of companies involved in the production of waterproof outerwear fell by more than one-third between 1977 and 1982, according to the Census Bureau, while the number of establishments (plants) declined by about one-third. In the suit and coat segment the decline was less dramatic. The number of companies was off 8.4%, while the number of plants fell 9.8%.

Women's & Misses Suits and Coats (SIC 2337*)

	<u>1982</u>	<u>1977</u>	<u>% Change</u> <u>1982/1977</u>
Number of companies	1,431	1,563	- 8.4%
Number of establishments, total	1,512	1,677	- 9.8
Number with 20 or more employees	900	1,071	- 16.0
Employees, total (thous.)	78.2	84.9	- 7.9
Production workers (thous.)	63.2	72.8	- 13.2
Payroll (mil. \$)	\$ 871.1	\$ 655.3	+ 32.9
Value added by manufacture # (mil. \$)	2,067.1	1,432.0	+ 44.4
Value of industry shipments ## (mil. \$)	4,886.7	2,917.3	+ 67.5
Capital expenditures, new (mil. \$)	30.5	22.0	+ 38.6

(continued)

GENERAL INDUSTRY STATISTICS

Raincoats & Other Waterproof Outer Garments (SIC 2385*)

	1982	1977	% Change 1982/1977
Number of companies	98	155	- 36.8%
Number of establishments, total	112	167	- 32.9
Number with 20 or more employees	76	105	- 27.6
Employees, total (thous.)	9.3	12.0	- 22.5
Production workers (thous.)	8.0	10.1	- 20.8
Payroll (mil. \$)	\$ 101.1	\$ 89.4	+ 13.1
Value added by manufacture # (mil. \$)	246.0	194.4	+ 26.5
Value of industry shipments ## (mil. \$)	449.2	348.8	+ 28.8
Capital expenditures, new (mil. \$)	4.6	5.6	- 17.9

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

SIC 2337 comprises establishments primarily engaged in manufacturing women's, misses' and juniors' suits, coats, pantsuits and skirts, except fur and leather coats and raincoats. (Apparel made in knitting mills is not included).

SIC 2385 comprises establishments primarily engaged in manufacturing raincoats from purchased rubberized fabrics and other waterproof outer-garments made from such materials as pliofilm and cellophane. The industry includes manufacturers of garments for men, women and children. It does not include vulcanized rubber garments or rubberized fabric garments produced by fabric manufacturers in the same plant.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments (as distinct from "product shipments") includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of specified garments by all producers, (product shipments), including manufactures classified in other industries, are covered on page 11.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982.

GENERAL INDUSTRY STATISTICS

Industry Concentration

Manufacturers of women's suits, coats and rainwear tend to be smaller operations of less than 100 employees, but it is the larger operations which garner a majority of industry shipments. According to Sales & Marketing Management magazine, plants with 100 or more employees accounted for 58% of shipments of suits and coats in 1984, while plants of the same size in the rainwear industry were responsible for 73% of shipments in that same year.

The latest detailed information on the number of manufacturing operations by employment size comes from the 1982 census of manufactures. According to this source, in 1982, plants with less than 100 employees accounted for 87.2% of all establishments, yet they accounted for only 49.3% of shipments in 1982. Detailed results of the census are summarized below.

Manufacturing Establishments in the Women's & Misses' Suit & Coat Industry & in the Waterproof Outerwear Industry by Employment Class Size, 1982

Industry	Establishments		Employees		Shipments	
	No.	% of Total	No. (Thous.)	% of Total	Mil. \$	% of Total
Women's & misses' coats & suits (SIC 2337*), total	1,512	100.0%	78.2	100.0%	\$4,886.7	100.0%
By establishment size:						
Under 20 employees	612	40.5	5.0	6.4	520.4	10.6
20-49 employees	432	28.6	14.1	18.0	748.9	15.3
50-99 employees	274	18.1	19.2	24.6	1,142.2	23.4
100 or more employees	194	12.8	39.9	51.0	2,475.1	50.6
Waterproof outerwear (SIC 2385*), total	112	100.0%	9.3	100.0%	\$ 449.2	100.0%
By establishment size:						
Under 20 employees	36	32.2	(D)	--	(D)	--
20-99 employees	52	46.4	2.5	26.9	92.6	20.6
100-249 employees	12	10.7	1.7	18.3	73.1	16.3
250 or more employees	12	10.7	(D)	--	(D)	--

* For a definition of these SIC codes, see page 3.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series.

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Employment & Share of Shipments in Large Plants, 1984

	<u>No. of Plants</u>		<u>Total Shipments (Mil. \$)</u>	<u>% of Shipments From Plants With 100+ Employees</u>
	<u>With 20+ Employees</u>	<u>With 100+ Employees</u>		
Women's, misses' & juniors' Suits & coats (SIC 2337*)	509	129	\$3,991.6	58%
Waterproof outer garments (SIC 2385*)	105	37	\$ 395.0	73%

* For a definition of these SIC codes, see page 3.

Source: Sales & Marketing Management,
Survey of Industrial Purchasing Power 1985,
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Employment & Earnings

Between April 1984 and 1985, total employment in the women's, misses' and juniors' suit and coat industry declined 5.5% falling to 49,500 persons. This decline followed a decline of 0.9% registered for the annual total for 1983 and 1984. Production worker employment registered a much steeper decline fall of 6.3% between April 1984 and 1985 after a decline of 3.1% between 1983 and 1984.

It should be noted that the Bureau of Labor Statistics uses a different methodology in compiling employment data than the one used by the Census Bureau. Thus, the figures of these two sources are not directly comparable.

Employment & Earnings in the Women's, Misses' & Juniors' Suit & Coat Industry (SIC 2337*)

	<u>April Average</u>		<u>% Change 1985/84</u>	<u>Annual Average</u>		<u>% Change 1984/83</u>
	<u>1985</u>	<u>1984</u>		<u>1984</u>	<u>1983</u>	
All employees (thous.)	49.5	52.4	- 5.5%	56.2	56.7	- 0.9%
Production workers (thous.)	40.3	43.0	- 6.3	46.3	47.8	- 3.1
Av. weekly earnings	\$211.20	\$205.70	+ 2.7	\$211.01	\$202.30	+ 4.3
Av. hourly earnings	6.40	6.05	+ 5.7	6.17	5.95	+ 3.7
Av. weekly hours	33.0	34.0	- 2.9	34.2	34.0	+ 0.6

* Includes skirts. See page 3.

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings.

GENERAL INDUSTRY STATISTICS

By Region

New York is the leading state in shipments of both women's suits & coats as well as the waterproof outer garment industry, in 1982, according to the 1982 census of manufactures compiled by the U.S. Census Bureau, New York accounted for 36.1% of plants while representing 34.1% of women's suits & coat shipments. In the waterproof outer garments area, New York represented 21.4% of plants and 14.0% of industry shipments.

Leading Manufacturing States in the Women's Suits, Coats & Rainwear Industry, 1982

	<u>No. of Establishments</u>		<u>Value</u>	<u>Value of</u>
	<u>Total</u>	<u>With 20+ Employees</u>	<u>Added by Manufacture (Mil. \$)</u>	<u>Industry Shipments (Mil. \$)</u>
Women's & misses' suits & coats (SIC 2337)*				
U.S. total	1,512	900	\$2,067.1	\$4,886.7
Leading states:				
New York	547	250	588.5	1,665.3
New Jersey	231	156	280.8	624.0
California	171	85	309.8	661.3
Massachusetts	126	92	189.9	502.8
Pennsylvania	82	67	164.5	376.4
Florida	53	33	40.4	81.6
Texas	43	29	59.9	123.4
Connecticut	31	21	29.8	92.0
Illinois	20	13	26.3	51.2
Missouri	20	14	35.1	55.5
North Carolina	20	17	52.3	82.0
Leading states total	1,344	777	1,777.3	4,315.5
Percent of U.S. total	88.9%	86.3%	86.0%	88.3%
Waterproof outer garments (SIC 2385*)				
U.S. total	112	76	246.0	449.2
Leading states				
New York	24	16	23.3	62.9
Massachusetts	12	9	22.4	32.7
Maryland	11	10	(D)	(D)
New Jersey	9	6	11.9	23.4
Georgia	6	5	7.9	14.6
Florida	5	5	5.4	6.4
Leading states total	67	51	na	na
Percent of U.S. total	59.8%	67.1%	--	--

na--not available

(D)--Withheld to avoid disclosure

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series.

PRODUCTION

Current information on U.S. apparel production is compiled by the Census Bureau through surveys among manufacturers, government contractors and jobbers. This is completed with the exception of very small firms (generally less than five employees), which were, however, covered in the 1982 complete census of manufactures. The current data is covered in the Current Industrial Reports series, and includes garments which are cut in the U.S., sent outside the country, and then imported as finished garments under the provisions of Item 807.00 of the Tariff Schedule.

In the CIR data, reported below, suits include tailored suits and tailored uniforms (not washable types), but excludes pantsuits, jumpsuits and coordinate suit sets that can be purchased as separate pieces. The coat classification includes toppers, car coats, suburban coats, plastic coats, and water repellent coats and capes, but excludes raincoats, which are separately reported. The pants group includes jean-cut casuals and other tailored pants. It does not include jeans and dungarees, which are covered in the Women's Sportswear Fact File.

The CIR reports on women's outerwear, which has recently been released covering 1984 production and shipments, shows the downward trend in domestic output under pressure from imports. According to a study by the ILGWU covering the first 4 months of 1985 production and employment in the women's and children's wear industry, they continued to decline. The domestic coat industry registered the largest decline in unit production, dropping 36.4%--from 2.2 million pieces in the first 4 months of 1984 to 1.4 million in the same 1985 period. Women's suits showed the smallest loss in production, about 4%, followed by slacks and jeans, down 6.3%.

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type, 1983, 1984 (Thousands of units)

	<u>1984</u>	<u>1983</u>	<u>% Change</u> <u>1984/83</u>
SUITS	11,327	13,448	- 16.0%
Pantsuits (including jumpsuits)	3,722	4,458	- 16.5
By construction:			
Woven fabric	1,301	1,721	- 24.4
Knit fabric	1,794	1,555	+ 15.4
Construction n.s.k	627	1,182	- 47.0
By fabric:			
All cotton and chiefly cotton	299	174	+ 71.8
All manmade and chiefly manmade	2,278	1,715	+ 32.8
All wool and chiefly wool	428	401	+ 6.7
All other fabric	717	2,168	- 66.9
Fabric n.s.k.			

(continued)

PRODUCTION

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type, 1983, 1984 (Thousands of units) (continued)

	<u>1984</u>	<u>1983</u>	<u>% Change</u> <u>1984/83</u>
SUITS (cont'd.)			
Suits, except pantsuits	7,605	8,990	- 15.4%
By construction:			
Woven fabric	3,485	4,056	- 14.1
Knit fabric	1,238	1,816	- 31.8
Construction n.s.k.	2,885	3,748	- 23.0
By fabric:			
All cotton and chiefly cotton	222	261	- 14.9
All manmade and chiefly manmade	3,596	3,836	- 6.3
All wool and chiefly wool }	1,313	1,408	- 6.7
All other fabric			
Fabric n.s.k.	2,474	3,485	- 29.0
COATS (except down or feather-filled, fur, all leather & raincoats)	11,934	11,994	- 0.5
By construction:			
Woven fabric	10,573	10,591	- 0.2
Knit fabric	101	162	- 37.7
Construction n.s.k.	1,260	1,241	+ 1.5
By fabric:			
All cotton and chiefly cotton	57	127	- 55.1
All manmade and chiefly manmade	na	na	--
All wool and chiefly wool	6,547	7,004	- 6.5
All other fabric	(D)	34	--
Fabric n.s.k.	776	751	+ 3.3
Coats and jackets of down & feather fill	1,232	na	--
By fabric:			
All cotton and chiefly cotton	362	na	--
Fabric n.s.k.	103	na	--
JACKETS	33,014	37,675	- 12.4
Separate tailored suit type jackets	30,457	34,303	- 11.2
By construction:			
Woven fabric	18,588	21,433	- 13.3
Knit fabric	7,685	8,735	- 12.0
Construction n.s.k.	4,184	4,125	+ 1.4
By fabric:			
All cotton and chiefly cotton	2,278	3,349	- 32.0
All manmade and chiefly manmade	19,885	20,144	- 1.3
All wool and chiefly wool	4,484	5,709	- 21.5
All other fabric	343	370	- 7.3
Fabric n.s.k.	3,467	4,731	- 26.7

(continued)

PRODUCTION

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type, 1983, 1984 (Thousands of units) (continued)

	1984	1983	% Change 1984/83
JACKETS (Cont'd.)			
Nontailored outer jackets, excluding ski	2,557	3,372	- 24.2%
By construction:			
Woven fabric	1,281	1,546	- 17.1
Knit fabric			
Construction n.s.k. }	1,276	1,826	- 30.1
By fabric:			
All cotton and chiefly cotton	185	108	- 26.6
All manmade and chiefly manmade	1,203	1,740	- 30.9
All wool and chiefly wool }			
All other fabric	175	231	- 24.2
Fabric n.s.k.	994	1,149	- 13.5
VESTS, excluding sweater vests	1,416	1,940	- 27.0
By construction:			
Woven fabric	435	590	- 26.3
Knit fabric	722	1,083	- 33.3
Construction n.s.k.	259	267	- 3.0
By fabric:			
All cotton and chiefly cotton	185	108	+ 46.3
All manmade and chiefly manmade	330	1,124	- 71.6
All wool and chiefly wool	88	69	+ 27.5
All other fabric			
Fabric n.s.k.	783	789	- 0.8
RAINCOATS	3,833	4,116	- 6.9
Uncoated fabric:			
All manmade and chiefly manmade	3,237	3,562	- 9.1
All other fabric, n.s.k.	596	554	+ 7.6
SKIRTS	98,554	101,499	- 2.9
By construction:			
Woven fabric	71,927	71,015	+ 1.3
Knit fabric	15,521	18,941	- 18.1
Construction n.s.k.	11,096	11,543	- 3.9
By fabric:			
All cotton and chiefly cotton	17,510	17,217	+ 1.7
All manmade and chiefly manmade	58,417	58,158	+ 0.4
All wool and chiefly wool	11,188	13,716	- 18.4
All other fabric	1,263	1,534	- 17.7
Fabric n.s.k.	7,166	10,874	- 34.1

(continued)

PRODUCTION

Production of Women's, Misses' & Juniors' Coats, Suits & Related Apparel Total & By Construction/Fabric Type, 1983, 1984 (Thousands of units) (continued)

	1984	1983	% Change 1984/83
PANTS (not including dungarees & jeans)	161,995	173,169	- 6.5%
By construction:			
Woven fabric	106,154	109,829	- 3.3
Knit fabric	38,772	45,833	- 15.4
Construction n.s.k.	17,069	17,507	- 2.5
By fabric:			
All cotton and chiefly cotton	28,406	26,251	+ 8.2
All manmade and chiefly manmade	110,872	122,568	- 9.5
All wool and chiefly wool	8,271	9,116	- 9.3
All other fabric	956	1,259	- 24.1
Fabric n.s.k.	13,490	13,975	- 3.5

n.s.k.--not specified by kind

na--not available

(D)--Withheld to avoid disclosure

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's & Children's Outerwear (MA23F).

Seasonality in Production

The Census Bureau compiles monthly estimates on U.S. production in selected apparel categories in the CIR Series. Based on this data, the following traces the pattern in production in U.S. plants on a monthly basis in 1984.

Percent of Reported Cutting by Month, 1984

	Coats, exc. <u>Raincoats</u>	Suits, incl. <u>Pants Suits</u>	<u>Skirts</u>	Tailored <u>Jackets</u>
Total	100.0%	100.0%	100.0%	100.0%
January	4.6	8.6	8.9	9.4
February	5.2	9.7	9.5	9.3
March	5.9	10.4	9.7	9.3
April	6.3	9.0	8.2	8.6
May	10.2	9.4	10.0	8.9
June	11.0	7.8	8.8	8.6
July	11.3	6.8	7.2	8.5
August	13.0	7.4	9.0	8.7
September	13.1	6.7	8.3	8.1
October	10.3	8.4	7.9	7.7
November	5.3	8.6	6.4	6.5
December	3.8	7.2	6.1	6.4

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Men's, Women's, Misses' & Juniors' Selected Apparel
M23(85)-1, March 1985.

PRODUCTION

Materials Consumed in Production

Materials Consumed in Production of Specified Women's Coats, Suits & Rainwear 1977, 1982

(Delivered cost in millions of dollars)

	1982	1977	% Change 1982/1977
Women's & misses' suits & coats, total	\$1,642.6	\$ 941.8	+ 74.4%
Broad woven fabrics	567.7	412.7	+ 37.6
Purchased knitted fabrics	107.9	182.5	- 40.9
All other materials, components, parts containers and supplies	234.2	93.6	+150.2
Materials containers & supplies, n.s.k.	732.8	253.0	+189.6
Waterproof outer garments, total	157.1	105.2	+ 49.3
Broadwoven fabrics	99.8	51.6	+ 81.8
Purchased knitted fabrics		3.3	
All other materials, components, parts containers & supplies	35.2	21.7	+ 62.2
Materials, containers & supplies, n.s.k.	22.1	28.6	- 22.7

n.s.k.--not specified by kind

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series.

PRODUCT SHIPMENTS

Product shipments include all products of a specified type, regardless of the industry/classification of the producer, in contrast with industry shipments which cover the products made within a specific industry classification. For reporting purposes under the Census Bureau system, a manufacturer is classified in only one industry, based on its primary product.

The total value of shipments of women's, misses' and juniors' suits, coats, skirts, etc., amounted to \$4.3 billion in 1982, representing a gain of 52.7% compared with 1977, according to the Census Bureau. These figures are, of course, in current dollars, and inflation accounts for much of the gain.

The International Trade Administration (U.S. Department of Commerce) estimates that in terms of constant (1972) dollars, the value of shipments of coats and suits by all producers gained 4.3% in 1983 compared with 1982, but declined 8.5% in 1984, compared with 1983.

The most detailed information on a specific product basis is from the 1982 census of manufactures. These reflect the fall from favor of pantsuits. The value of shipments of these dropped 74.8% (current dollars) in 1982, compared with 1977.

PRODUCT SHIPMENTS

Value of Shipments of Product Classes, 1977, 1982 (Millions of dollars)

	1982	1977	% Change 1982/1977
Women's, misses' & juniors suits coats, etc., total	\$4,325.0	\$2,831.8	+ 52.7%
Coats, exc. fur, leather & rain	621.9	612.1	+ 1.6
Suits, total	443.2	768.9	- 42.3
Pantsuits	90.8	360.6	- 74.8
All other suits	341.8	349.8	- 2.3
Separate skirts & jackets	2,351.2	741.0	+217.3
Separate skirts	1,266.4	462.0	+174.1
Separate tailored suit jackets	892.1	238.8	+273.6
Nontailored outer jackets, exc. ski	106.3	66.8	+ 59.1
Vests, exc. sweater vests	24.4	na	--
Contract work on suits, coats & skirts	513.7	423.9	+ 21.2
Suits, coats & skirts, n.s.k.	395.1	285.9	+ 38.2
Waterproof outer garments (women's, misses' and juniors)	186.5	153.2	+ 21.7

n.s.k.--not specified by kind
na--not available

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series.

Later data on the value of product shipments is available from the Census Bureau in the Current Industrial Report series. The only category to record an increase in the value of shipments in 1984 is coats. Every other category recorded declines between 1983 and 1984, with the drops ranging from 2.3% to 31.1%.

Overall, the value of product shipments of women's suits, coats, and related products was \$5.0 billion, a decline of 4.5% from the previous year.

PRODUCT SHIPMENTS

Value of Shipments of Specified Products, 1983, 1984 (Millions of dollars)

	1984	1983	% Change 1984/1983
Women's, misses' & juniors' suits, coats, etc., total	\$4,977.7	\$5,209.9	- 4.5%
Suits, total	400.5	443.8	- 9.7
Pantsuits	80.6	89.3	- 9.7
Other suits	320.0	354.5	- 9.7
Coats, exc. fur, leather & rain	660.3	612.5	+ 7.8
Raincoats	168.1	176.5	- 4.8
Jackets, total	875.7	1,013.0	- 13.6
Separate, tailored type	812.8	921.6	- 11.8
Nontailored outer jackets, excluding ski	62.9	91.4	- 31.1
Vests, excluding sweater vests	16.8	17.5	- 4.0
Skirts	1,290.3	1,343.3	- 3.9
Slacks & pants	1,565.9	1,603.3	- 2.3

Source: U.S. Bureau of the Census,
Current Industrial Reports,
Women's and Children's Outerwear (MA-23P).

By Geographic Area

New York was the leading state for shipments in three of the five categories measured by the Census Bureau in the 1982 census of manufactures. In the remaining two categories, New York ranked second. New Jersey was the leader in shipments of commission work on women's, misses' & juniors' suits, coats and skirts, while Maryland led in raincoats & waterproof outer garments.

Value of Product Shipments of Coats, Suits, Rainwear & Related Products by Leading States, 1977, 1982 (Millions of dollars)

	<u>Value of Shipments</u>		% Change 1982/1977
	1982	1977	
Women's & misses' coats, (except fur & leather)			
United States total	\$621.9	\$612.1	+ 1.6%
Leading States:			
New York	298.6	333.4	- 10.4
New Jersey	86.5	60.1	+ 43.9
Massachusetts	59.7	31.5	+ 89.5
California	57.1	61.2	- 6.7
Missouri	23.5	38.8	- 39.0
Illinois	21.7	17.4	+ 24.7
Leading States total	547.1	542.4	+ 0.9
Percent of U.S. total	88.0%	88.6%	--

(continued)

PRODUCT SHIPMENTS

By Geographic Area (continued)

Value of Product Shipments of Coats, Suits, Rainwear & Related Products by Leading States, 1977, 1982 (Millions of dollars)

	Value of Shipments		% Change
	1982	1977	1982/1977
Women's, misses & juniors' suits			
United States total	\$407.1	\$671.9	- 39.4%
Leading States:			
New York	171.8	208.6	- 17.6
Pennsylvania	38.0	43.4	- 12.4
California	37.3	100.0	- 62.7
Connecticut	22.4	na	--
Florida	21.4	29.2	- 26.7
Massachusetts	17.4	15.9	+ 9.4
Illinois	10.8	6.2	+ 74.2
Leading states total	319.1	na	--
Percent of U.S. total	73.4%	na	--
Women's, misses' & juniors' skirts & jackets			
United States total	2,315.2	741.0	+212.4
Leading States:			
New York	725.0	219.0	+231.1
California	349.0	94.0	+271.3
New Jersey	290.6	37.0	+685.4
Massachusetts	240.6	125.0	+ 92.5
Pennsylvania	155.2	65.8	+135.9
North Carolina	86.0	19.8	+224.3
Leading states total	1,846.4	560.6	+229.4
Percent of U.S. total	79.8%	75.7%	--
Commission work on women's, misses' & juniors' coats, suits & skirts			
United States total	513.7	423.9	+ 21.2
Leading states:			
New Jersey	101.6	85.9	+ 18.3
New York	99.8	88.1	+ 13.3
Massachusetts	63.5	45.5	+ 39.6
Pennsylvania	51.9	29.5	+ 75.9
California	40.2	33.2	+ 21.1
Florida	21.9	12.1	+ 81.0
Leading states total	378.9	294.3	+ 28.7
Percent of U.S. total	73.8%	69.4%	--

(continued)

PRODUCT SHIPMENTS

By Geographic Area (continued)

Value of Product Shipments of Coats, Suits, Rainwear & Related Products by Leading States, 1977, 1982 (Millions of dollars) (continued)

	<u>Value of Shipments</u>		<u>% Change 1982/1977</u>
	<u>1982</u>	<u>1977</u>	
Raincoats & other waterproof outerwear			
United States total	\$357.0	na	--
Leading states:			
Maryland	133.9	na	--
New York	53.7	na	--
Massachusetts	24.2	na	--
Florida	8.3	na	--
California	2.5	na	--
Leading states total	222.6	na	--
Percent of U.S. total	62.4%	--	--

na--not available

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982,
Industry Series.

PRODUCER PRICES

The producer (factory) price for women's, misses' & juniors' skirts rose 1.0% between May 1984 and 1985, while the producer price for suits rose 1.9% during the same period according to data released from the Bureau of Labor Statistics. The producer price for all women's, misses' and juniors' apparel was up 1.2% during this same period.

For the full year 1984, the producer price for skirts rose 2.2%, while that of coats increased by 0.2%.

Producer Price Indexes for Specified Types of Women's Wear (1967 = 100)

	<u>May Average</u>			<u>Annual Average</u>		
	<u>1985</u>	<u>1984</u>	<u>% Change 1985/84</u>	<u>1984</u>	<u>1983</u>	<u>% Change 1984/83</u>
Women's, misses' & juniors'						
apparel	181.6	179.6	+ 1.0%	179.4	176.8	+ 1.5%
Skirts	129.5	126.0	+ 2.8	126.1	123.4	+ 2.2
Coats	148.9	146.1	+ 1.9	144.7	144.4	+ 0.2
Suits	100.0	na	--	na	na	--

na--not available

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

Estimates on imports in the women's, misses' & juniors' suits and coats industry by the International Trade Administration indicate that on a current dollar value basis, imports rose 43.1% between 1983 and 1984 amounting to \$1.2 billion. Between 1977 and 1984, the ratio of imports to new supply more than doubled, climbing from 9.7% to 23.4%.

Exports in this industry, on the other hand, have been declining since 1981. During this period, exports as a percent of shipments fell from 1.3% to 0.8%.

Women's, Misses' & Juniors' Coat and Suit Supply Situation 1982 - 1984 (Values in millions of dollars)

	1984	1983	1982
Value of imports	\$1,266	\$ 884.8	\$ 778.7
Imports as a % of new supply	23.4%	17.9%	16.6%
Value of exports	\$ 29.9	30.2	\$ 34.1
Exports as a % of shipments	0.8%	0.8%	0.9%

Source: 1985 U.S. Industrial Outlook,
International Trade Administration.

Imports

According to the U.S. Department of Commerce, every measured category of imports in suits, coats, skirts and rainwear recorded a gain of at least 25% in dollar value between 1983 and 1984. The fastest growing segment of the industry, import wise, was the knit wool skirt area which recorded an increase of 168.5% in dollars and 149.4% in units. In second position were raincoats, which had a growth rate of 70.5% in dollars and 63.5% in units.

Quantity & Value of Imports of Women's, Misses' & Juniors' Coats, Skirts & Raincoats, 1983, 1984

	<u>Quantity</u>		<u>% Change</u>	<u>Value C.I.F.*</u>		<u>% Change</u>
	(Thous. doz.) <u>1984</u>	<u>1983</u>		(Thous. \$) <u>1984</u>	<u>1983</u>	
Coats, total	5,323,225	4,591,659	+ 15.9%	\$757,592	\$611,628	+ 23.9%
Not knit						
Wool	318,434	231,111	+ 37.8	97,649	64,639	+ 51.0
Cotton, 3/4 length or longer	320,278	221,379	+ 44.7	70,646	50,882	+ 38.8
Other cotton	1,760,775	1,378,481	+ 27.7	240,250	181,424	+ 32.4
Manmade	2,923,738	2,760,688	+ 5.9	323,327	301,548	+ 83.2
Raincoats, 3/4 length or longer	266,266	162,875	+ 63.5	51,091	29,971	+ 70.5

(continued)

FOREIGN TRADE

Imports (continued)

Quantity & Value of Imports of Women's, Misses' & Juniors' Coats, Skirts & Raincoats, 1983, 1984 (continued)

	<u>Quantity</u> (Thous. doz.)		<u>% Change</u> <u>1984/83</u>	<u>Value C.I.F.*</u> (Thous. \$)		<u>% Change</u> <u>1984/83</u>
	<u>1984</u>	<u>1983</u>		<u>1984</u>	<u>1983</u>	
Skirts, total						
Not knit						
Wool	275,868	212,227	+ 30.0	52,209	35,365	+ 47.6
Cotton	2,011,714	1,540,203	+ 30.6	137,624	93,951	+ 46.5
Manmade	1,105,330	821,735	+ 34.5	78,535	55,888	+ 40.5
Knit						
Cotton or manmade	431,176	313,670	+ 37.5	19,615	15,253	+ 28.6
Wool	77,369	31,021	+149.4	13,816	5,140	+168.8

* The c.i.f. value consists of the Customs value plus all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation to the first port of arrival in the U.S.

Source: U.S. Bureau of the Census,
U.S. Imports (FT 135) December 1983, 1984.

According to an analysis of Census Bureau data by the ILGWU, imports of women's and children's coats and jackets rose from 42.9 million units in 1980 to a peak of 71.0 million units in 1984--representing a gain of 65.6%. Skirt imports rose from 14.8 million units in 1980 to 45.4 million in 1984, tripling in number. Imports of suits gained 70%, from 1.7 million units in 1980 to 2.9 million last year.

Census Bureau data shows the surge continuing in 1985. The ILGWU summary shows imports of women's and children's coats and jackets in the first four months of the year up 23% compared with the same 1984 period; suits, up 54%, skirts, 22.4%; and rainwear imports up 10.4%.

Exports

As previously noted, exports in the women's, misses' & juniors' industry have been extremely small and decreasing over the last several years. The U.S. International Trade Administration reports that in 1984 exports stood at \$29.9 million, down from the \$34.1 million reported in 1982.

The strong U.S. dollar, and competition from foreign producers are the major difficulty faced by the domestic industry in developing foreign markets.

THE POTENTIAL MARKET

The following table shows the demographic impact of the aging "baby boom" generation. Between 1984 and 1994, females in the 35-54 year old bracket will increase 33.5%. The only other age groups expected to record increases during this period are those under 15 years old, and those over 65.

By the year 2005, the number of women aged 35-54 will zoom 52.1% in numbers, surpassing the 30.9% growth in the over 65 year old bracket and the 30.1% growth in 54-65 year olds. The only categories expected to decline between 1984 and 2005 are the under 5 year olds (-4.3%) and 20-34 year olds (-14.4%), according to Census Bureau projections.

Female Population of the U.S., 1984 & Projections to 2005*
(In Millions)

	Number (Thousands)			% Change 2005/1984	Percent Distribution		
	1984	1994	2005		1984	1994	2005
Total, all ages	121,343	132,251	141,381	+ 16.5%	100.0%	100.0%	100.0%
Under 5 years	8,904	9,188	8,518	- 4.3	7.3	6.9	6.0
5 to 9 years	7,924	9,415	8,678	+ 9.5	6.5	7.1	6.1
10 to 15 years	10,236	10,745	11,167	+ 9.1	8.4	8.1	7.9
16 years & over	94,279	102,903	113,018	+ 19.9	77.7	77.9	80.0
16 - 19	7,357	6,426	7,707	+ 4.8	6.1	4.9	5.5
20 - 34	31,205	29,068	26,706	- 14.4	25.7	22.0	18.9
35 - 54	27,115	36,202	41,249	+ 52.1	22.3	27.4	29.2
55 - 64	11,834	11,002	15,399	+ 30.1	9.8	8.3	10.9
65 & over	16,678	20,205	21,957	+ 30.9	13.8	15.3	15.5
Median age (years)	32.4	35.6	39.2	+ 21.0	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 952 (May 1984).

Working Women

During 1984, more than 51 million women were employed in the U.S. with 25 million of them working full-time, year round. This is the greatest number ever. Participation rates for women in the labor force now stand at about 66% compared to a rate for men of about 88%. However, the rate for women has been increasing steadily while that for men has remained stable, and thus the gap is narrowing.

According to the Bureau of Labor Statistics, over the next 15 years, the number of men at work will increase 13% while the increase in the number of women will be more than double that rate at 27%. Currently, there are 18 million more women at work than there were in 1970, and twice the number as in 1960.

THE POTENTIAL MARKET

Civilian Labor Force, by Sex, Age & Race, 1982 & Projections to 1995

	<u>Labor Force (in thous.)</u>			<u>Labor Force Participation Rate*</u>		
	<u>1982</u>	<u>1990</u>	<u>1995</u>	<u>1982</u>	<u>1990</u>	<u>1995</u>
Women by age 16 & over	47,755	57,250	61,417	52.6	58.3	60.3
16 to 19	4,056	3,778	3,761	51.4	56.8	58.2
20 to 24	7,477	7,035	6,796	69.8	78.1	82.0
25 to 34	13,393	16,804	16,300	68.0	78.1	81.7
35 to 44	9,651	14,974	17,427	68.0	78.6	82.8
45 to 54	7,105	8,718	11,125	61.6	67.1	69.5
55 to 64	4,742	4,888	4,671	41.8	41.5	42.5
65 & over	1,185	1,329	1,337	7.9	7.4	7.0

* Percent of civilian noninstitutional population in the labor force.

Source: U.S. Bureau of Labor Statistics,
Bulletin 2197 (March 1984).

Working Women

According to a survey by Celanese Marketing Co., professional women, such as attorneys and corporate executive types, spend over \$5 billion on apparel, an amount expected to grow 8 to 10% annually through 1985. Informal professional women, such as social workers or teachers, spend \$3.6 billion on apparel, and this is expected to grow 5 to 7% a year.

Size Distribution

The following table covers estimates of the current adult female population in specified height/weight groups, based on an analysis of information from the U.S. Department of Health and Human Services and the U.S. Census Bureau.

Some 12 million women in the U.S. population are likely candidates for petite sizes, while another eight million probably look for tall sizes. While other measurements do enter into the size definition, available data is limited to height and weight relationships. While there are 40 million women in the U.S. who are five feet three inches or shorter, most weigh over 120 pounds. Only 30% weigh less than 120 lbs.

Research conducted by Associated Merchandising Corp., a major department store operator, grouped American women into average size ranges. Four out of 10 wore junior sizes, 36% wore misses, 13% were in the petite size range and 11% were classified as large or half size wearers.

THE POTENTIAL MARKET

Working Women

Estimated Number of Women 16 Years of Age & Over By Height & Weight, 1984 (In Thousands)

	<u>Total</u>	<u>% of total</u>	<u>Under 120 lbs.</u>	<u>% of total</u>	<u>120-150 lbs.</u>	<u>% of total</u>	<u>150 lbs. & over</u>	<u>% of total</u>
Total	94,279	100.0%	21,401	22.7%	41,860	44.4%	31,018	32.9%
Height:								
5'3" or less	51,476	54.6	15,462	16.4	21,496	22.8	14,519	15.4
5'4" - 5'6"	34,035	36.1	5,468	5.8	16,027	17.0	12,539	13.3
5'7" or more	8,768	9.3	471	0.5	4,337	4.6	3,960	4.2

Source: Fairchild Market Research Department based on National Health Survey 1971-1974 by the U.S. Dept. of Health and Human Services (formerly U.S. Dept. of Health, Education & Welfare) and U.S. Bureau of the Census projections for 1984 by age.

CONSUMER PRICES

Between April 1984 and April 1985, the consumer price index for women's and girls' coats and jackets, as well as the index for suits did not rise as rapidly as that for all women's and girls' apparel. While the index for all women's and girls' wear rose 3.8% during this period, that for coats and jackets was up only 0.7% while the index for suits declined 1.1%.

In 1984, the index for both the coats and jackets and the suits categories recorded declines (0.2% and 1.1% respectively), while the index for all women's and girls' wear rose 1.1%.

Consumer Price Index for Specified Women's Apparel Categories (All Urban Consumers)

	<u>April Average</u>			<u>Annual Average</u>		
	<u>1985</u>	<u>1984</u>	<u>% Change 1985/84</u>	<u>1984</u>	<u>1983</u>	<u>% Change 1984/83</u>
Women's & girls apparel (1967 = 100)	170.8	164.5	+ 3.8%	163.6	161.8	+ 1.1%
Coats & jackets	171.3	170.1	+ 0.7	168.0	168.3	- 0.2
Suits	103.1	104.2	- 1.1	82.1	83.0	- 1.1

Source: U.S. Bureau of Labor Statistics.

RETAIL SALES

According to the Softgoods Outlook 1985, published by Kurt Salmon Associates, a New York-based consulting firm, retail sales of women's suits increased 39% between 1983 and 1984, while coat sales increases were reported at 25%. Rainwear sales were up 16% and skirt sales climbed 7%.

Sales projections for 1985, as noted below, indicate gains in all four measured categories, but not nearly as large as those recorded in 1984.

Retail Sales of Selected Women's Apparel Categories (Percentage change in units purchased by consumers)

	Projected 1985/1984	1984/1983	1983/1982	1982/1981
Women's wear	+ 4%	+ 5%	+ 4%	+ 1%
Suits	+ 12	+ 39	+ 15	+ 25
Coats	+ 10	+ 25	+ 4	- 10
Skirts	+ 5	+ 7	+ 2	+ 3
Rainwear	+ 5	+ 16	+ 10	- 13

Source: Kurt Salmon Associates,
The Softgoods Outlook 1985,
(Based on MRCA Panel data).

RETAIL SALES BY STORE TYPE

Until reports on the 1982 census of retail trade are completed by the U.S. Census Bureau, available information on sales of women's suits, coats, etc. by outlet type is limited. Data previously published for 1977 will be revised, because of changes made by the Census Bureau in reporting on leased departments. In the 1982 census reports, these are counted as separate retail establishments, rather than incorporated in the store data in which they operated, as was originally reported for 1977.

According to preliminary data from the 1982 census of retail trade, sales of women's and girls' suits, sport coats and blazers represented 11.8% of the total sales of women's wear stores and 3.4% of family clothing store sales. For dress coats, jackets and rainwear, the Census Bureau reported percentages of 7.0% and 2.5%, respectively.

It must be noted that all reported figures on retail sales are preliminary and subject to revision, when final reports are released by the Census Bureau, later in 1985.

Department Stores

There were 10,035 department stores in operation in the U.S. in 1982, according to preliminary census of retail trade data, up from 8,807 in 1977. Sales, including leased departments, totaled \$107.1 billion in 1982, up from \$76.9 billion in 1977. Excluding leased departments, comparable figures were \$99.1 billion and \$71.0 billion respectively.

RETAIL SALES

Department Stores (continued)

Current census bureau data, based on monthly retail sales reports, placed the total value of department store sales at \$129.3 billion in 1984, up from \$116.6 billion in 1983, including leased departments. Over the first seven months of 1985, department store sales are reported to be 5.6% over those of the first seven months of 1984.

Within department stores, as well as the larger specialty stores, the trend in recent years has been to make special efforts to attract career women by opening special shops, putting personal shoppers on the floor and adjusting store hours. Blazers, jackets, suits and skirts make up an important part of these special efforts.

Typical Operating Results

In line with this trend, the typical department store registered increases in every measured category of women's suits and coats, particularly suits according to the National Retail Merchants Association. According to the NRMA, the typical department store registered an increase of 56.7% in suit sales between 1982 and 1983. Women's suit sales averaged \$221.9 per sq. foot in these stores.

Merchandising & Operating Results in Coat & Suit Departments, 1983 (Median Results for Department Stores With Sales Over \$1 Million)

	Adult Female Apparel Total	Coat & Suit Depts.*	Women's, Misses' & Juniors'		
			Dressy & Tailored Coats	Jackets Casual & All-Weather Coats	Suits
(No. reporting companies)	95	72	69	51	45
Net sales, % chg. over last year	+ 10.3%	+ 8.5%	+ 9.2%	+ 8.0%	+56.7%
Net sales, % of adult female app.	100.0	9.5	2.6	1.7	0.6
Net sales, % of total store sales	25.9	2.1	1.1	0.7	0.2
\$ sales per sq. ft. of selling space (main or largest unit)	\$145.5	\$171.0	\$154.8	\$178.4	\$221.9
Cumulative markon, %	51.3	50.9	50.4	51.5	51.8
Gross margin, % of net sales (incl. cash discounts)	43.7	42.9	42.4	44.9	42.5
Markdowns, retail, % of net sales	22.5	21.5	22.1	21.1	27.1
Number of stock turns (times)	3.9	3.8	3.7	4.3	3.6
Selling salaries, % of sales (main or largest unit)	6.7	6.2	6.1	5.6	6.2
Sales promotion, % of net sales	3.0	3.7	3.9	4.4	3.7

* Women's & misses', not including juniors'.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1983,
(1984 Edition).

RETAIL SALES

Specialty Stores

The Nation's 17,899 family clothing stores with paid employees had sales of \$13.5 billion in 1982. In 1977, 16,025 stores had sales of \$7.8 billion. There were 44,084 women's ready-to-wear stores with paid employees in 1982, and their sales totaled \$20.3 billion. In 1977, 40,227 stores had sales of \$12.3 billion.

Percent of Total Store Sales, 1977, 1982

	<u>Family Clothing Stores</u>		<u>Women's Ready-To-Wear Stores</u>	
	<u>1982</u>	<u>1977(r)</u>	<u>1982</u>	<u>1977(r)</u>
Women's & girls'				
Coats, jackets, rainwear	2.5	4.6	7.0	12.3
Suits, sport jackets, blazers	3.4		11.8	

(r)--revised

Source: U.S. Department of Commerce,
1982 Census of Retail Trade (Preliminary reports).

Typical Operating Results

While sales increases of both women's, misses' & juniors' dressy and tailored coats and jackets, casual and all weather coats were better in the typical specialty store than in department stores, according to the NRMA, the increase for suits averaged below that of department stores.

Cumulative markon was highest in the jackets, casual & all-weather coats category (50.9%) followed by suits at 50.3%.

Detailed results from the NRMA are summarized below.

Merchandising & Operating Results in Coat & Suit Departments, 1983 (Median Results for Specialty Stores With Sales Over \$1 Million)

	<u>Adult Female Apparel Total</u>	<u>Coat & Suit Depts.*</u>	<u>Women's, Misses' & Juniors' Jackets</u>		
			<u>Dressy & Tailored Coats</u>	<u>Casual & All-Weather Coats</u>	<u>Suits</u>
(No. reporting companies)	34	22	20	10	12
Net sales, % chg. over last year	+ 9.5%	+ 5.3%	+10.0%	+ 9.2%	+12.0%
Net sales, % of adult female app.	100.0	14.2	4.0	2.7	1.3
Net sales, % of total store sales	54.0	8.3	2.6	1.7	0.9
\$ sales per sq. ft. of selling space (main or largest unit)	\$143.9	\$163.6	\$142.0	\$ --	--
Cumulative markon, %	51.9	50.5	49.8	50.9	50.3
Gross margin, % of net sales (incl. cash discounts)	43.5	42.6	42.3	44.7	43.0
Markdowns, retail, % of net sales	22.1	17.6	20.0	16.3	24.0
Number of stock turns (times)	3.8	3.8	3.5	3.5	3.4
Selling salaries, % of sales (main or largest unit)	6.9	--	--	--	--
Sales promotion, % of net sales	2.9	3.7	--	--	--

* Women's & misses', not including juniors'.

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1983, (1984 Edition).

RETAIL SALES

Specialty Store Typical Operating Results (continued)

Another trend in recent years has been for men's wear manufacturers and men's wear specialty stores to get into the women's tailored career apparel business, including suits, blazers, jackets and skirts. This was done to counteract soft sales in men's tailored clothing, as well as to take advantage of the fast growth in the number of career women and the popularity of the preppie look. This look has been on the wane, and it remains to be seen if men's wear stores will be able to maintain growth in the women's apparel area.

RETAIL ADVERTISING

Seasonality in Retailer's Newspapers Advertising Linage On Women's & Misses' Coats & Jackets, 1980, 1981, 1983

	<u>Percent of Years' Total Linage by Month</u>												
	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Year</u>
1983	7.1	6.5	6.2	3.4	3.2	2.2	4.1	9.9	11.1	15.8	16.9	13.6	100.0%
1981	7.2	7.0	7.2	5.9	2.9	2.6	3.8	9.1	12.8	15.4	14.9	11.2	100.0
1980	8.1	7.8	7.8	4.8	2.7	3.6	4.3	9.9	11.3	15.1	13.8	10.8	100.0

Source: Advertising Checking Bureau, Neustadt Reports Div.,
covering retail newspaper lineage in seven cities.

BUYING HABITS

Information on purchase patterns of women's tailored wear covered in the following data covering the period January-August 1983 has been supplied by TRAC, a division of NFO Research Inc. The data is based on a nationally representative panel of 40,000 households which keep diaries of their purchases.

The NFO data on tailored women's wear includes blazers, slacks, skirts, suits and coordinates.

Place of Purchase of Women's Tailored Clothing, January-August 1983. (Percents of Units Purchased)

	<u>Percent</u>
Department stores	29.1%
Women's specialty stores	24.2
National chains (Sears, Penney, Ward)	13.9
Discounters	9.7
"Off-price" retailers	11.1
Mail order	4.5
All other outlets	7.5

BUYING HABITS

Age of Purchasers of Women's Tailored Clothing

	<u>Percent</u>
18 - 24 years	14.9%
25 - 34	24.3
35 - 44	18.5
45 - 54	14.3
55 - 64	15.5
65 & over	12.5

Source: TRAC Division, NFO Research Inc.
Toledo, Ohio.

Working Women

According to a study on women who work, conducted by Mathematicia Policy Research, Princeton, New Jersey, for Newsweek, 64% of women with high level incomes wear skirt-suits (business suits) to their jobs, while 56% of these women report that they wear skirts and blouses.

This report was conducted during mid-1984. The results were tabulated for 713 women from across the nation, who work a minimum of 25 hours per week.

Type of Clothing Worn to Work by Income and Occupation

	<u>Income</u>			<u>Professional/Managerial</u>
	<u>Low</u>	<u>Medium</u>	<u>High</u>	
Skirt suits (business suits)	26%	50%	64%	47%
Dresses	39	51	63	51
Skirts & blouses	47	66	56	62
Pantsuits	44	53	34	48
Pants, sweaters & other sportswear	68	66	47	61
Designer jeans	26	22	14	18
Other jeans	35	22	19	22
Uniforms	20	14	10	19

Note: Percentages add to more than 100.0% because many respondents vary the type of clothing they wear to work.

Source: Study on Women Who Work (1984),
prepared for Newsweek,
by Mathematicia Policy Research,
Princeton, New Jersey.

BUYING HABITS

Teen Buying Habits

In May 1984, 999 teenage girls, members of Seventeen Magazine's 2000 member Consumer Panel, which represents a cross-section of teens nationwide, answered the magazine's Spring Apparel Study on items purchased during the spring of 1984. This information was then projected to the entire female teenage market in order to get an estimate of the total number of girls who purchased apparel items, the number purchased and the amount spent.

Purchases of Specified Suits & Coats by Teenage Girls, Spring 1984

	Number <u>Purchasing</u> Add 000	Number <u>Purchased</u> Add 000	Total <u>Expenditures</u> (thousands)
<u>Coats</u>			
Raincoats - Poplin	2,409	2,522	\$141,711
- Slicker	2,057	2,066	51,092
Leather/Suede	1,591	1,725	180,711
Mid-calf	777	783	58,999
Three-quarter length	681	689	34,498
Fake fur coats	399	414	31,808
Real fur coats	293	296	44,394
Total buying coats	7,041	8,495	543,213
<u>Suits</u>			
Jacket & skirt	2,421	4,140	258,211
Pantsuits	1,340	1,584	60,430
Jacket with dress	1,227	2,001	126,523
<u>Jackets</u>			
Blazers	3,121	4,714	232,306
Real fur jackets	267	273	42,419
Fake fur jackets	89	90	4,310
<u>Skirts</u>			
Mini (above the knee)	6,827	14,819	415,969
Knee level	5,943	14,265	398,421
Below knee level	4,809	6,831	170,638

Usual Place of Purchase of Suits & Coats, by Teenage Girls

	Percent
Department stores	67.6%
Specialty stores	24.8
Discount stores	6.7
Variety stores	3.9
Mail order	2.8
All other	3.0

Note: Totals add to more than 100.0% due to multiple mentions.

Source: Spring Apparel Study, 1984

Seventeen Magazine, Triangle Communications, Inc.

BUYING HABITS

Coats

According to a survey of prospective coat buyers, conducted by the Gallup Organization for Apparel Merchandising, between 80% and 85% of respondents expect to buy their next coat on sale; 43% said they planned to buy their next coat in a department store.

Price Expected to Pay for a Full-Length Coat between 1985 and 1987

<u>Expected Price</u>	<u>Wool</u>	<u>Rain</u>	<u>Storm</u>	<u>Affordable Fur</u>
Less than \$40	--	11%	13%	2%
\$40 - \$59	6%	34	29	--
\$60 - \$79	8	24	15	2
\$80 - \$99	16	7	11	14
\$100 or more	54	24	24	63
Don't know	6	6	8	19

Purchasers Expecting to Pay Sale Price

	<u>Full Length</u>	<u>Short Length</u>
Expect to pay sale price	85%	80%
Expect to pay full price	11	15
Don't know	4	5

Expected Place of Purchase of Coat

	<u>Full Length</u>	<u>Short Length</u>
Department stores	45%	36%
Women's wear stores	19	20
National chains	9	16
Off-price outlet discounters	12	15
Catalog/mail order	3	1
Other	15	13
Don't know	8	12

Source: The Gallup Organization,
Apparel Merchandising,
February 1985.

FUR APPAREL

Market Trends

The U.S. fur apparel industry has been one of the few areas of the apparel industry which has remained consistently strong over the last several years. Currently retail sales of fur garments are estimated at approximately \$1.5 billion--about twice the level of six years ago.

One of the major reasons for the continued success of the fur industry has been the increasing numbers of working women. More and more women who are now earning their own income are spending that money on luxury items, such as furs for themselves, rather than waiting, as was the case before the influx of women into the workplace. Likewise, the strong fashion position furs have obtained in the fashion industry over the last few years had aided the increase in fur sales.

Despite the bright picture from the retail side of the industry, domestic manufacturers have been struggling lately. Due primarily to the strong U.S. dollar and cheaper overseas labor, the number of manufacturers in the U.S. in 1984 is estimated to be about 20% fewer than five years ago. The major casualty of the consolidation of the industry have been the smaller "mom and pop" type outlets which manufactured lower-priced furs. These types of operations have been taken over by foreign competitors in Korea, Hong Kong, Canada and Greece. Industry insiders do report, however, that the quality of these imported goods is not up to that of the upscale, higher-priced furs which are made in the U.S.

Over-promotion is another problem which is now plaguing the fur industry. Many retailers now feel that customers have grown accustomed to huge reductions in prices, and thus wait till heavy promotional periods to buy. While many retailers want to end the heavy promotional end of the business, they report that they are forced to continue it as that is the time when most customers wait to buy.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The latest detailed information on the fur industry comes from the recently released 1982 Census of Manufactures, U.S. Department of Commerce. The census previous to the 1982 was in 1977, the results of which are also covered in the following table.

According to the census, the value of industry shipments in the fur industry increased by only 9.4% in the five year period between 1977 and 1982, while the number of companies in the industry decreased by about 20%, and employment fell approximately 15%.

According to the Furriers Joint Council, the number of workers in the fur industry stands at about 5,000 in 1985, with many of these working for themselves. This source estimates that the total number has remained relatively unchanged in recent years (Forbes 5/6/85).

GENERAL INDUSTRY STATISTICS

Fur Goods (SIC 2371*)

	1982	1977	% Change 1982/1977
Number of companies	503	620	- 18.9
Number of establishments, total	504	620	-118.7
Number with 20 or more employees	43	48	- 10.4
Employees, total (thous.)	3.4	4.0	- 15.0
Production workers (thous.)	2.5	3.2	- 21.9
Payroll (mil. \$)	\$ 59.6	\$ 51.5	+ 15.7
Value added by manufacture # (mil. \$)	131.6	112.8	+ 16.7
Value of industry shipments ## (mil. \$)	419.3	383.4	+ 9.4
Capital expenditures, new (mil. \$)	0.3	0.5	- 40.0

* SIC 2715 includes establishments primarily engaged in manufacturing fur coats and other garments, accessories, and trimmings made of fur. The industry includes producers of fur caps, coat linings, glove linings and other fur apparel, such as capes, coats, hats, jackets and neckpieces. Establishments primarily engaged in manufacturing sheep-lined clothing are classified in Industry 2386, and those engaged in dyeing and dressing of furs in Industry 3999.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished goods inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of shipments of fur goods only by all producers, (product shipments), including manufacturers making them as secondary products, is covered on page 31.

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982.

Concentration in the Industry

Data on the number of plants by employment size for 1982 from the census of manufacturers indicates that a great majority of the firms involved in the fur industry are small, employing fewer than 5 employees. It must be noted that these figures include only establishments with a payroll at some time in 1982 and thus a large proportion of family run, small size establishments are excluded from the total. Thus, the percent of manufacturing facilities with fewer than 5 employees would be higher than the 61% reported by the census bureau.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry (continued)

The Fur Goods Industry by Employment Size, 1982

	<u>Establishments</u>		<u>Employees</u>		<u>Value Added By Manufacture</u>	
	<u>Number</u>	<u>% of total</u>	<u>Number (Thous.)</u>	<u>% of total</u>	<u>Mil. \$</u>	<u>% of total</u>
Fur goods, (SIC 2371), total	504	100.0%	3.4	100.0%	\$131.6	100.0%
By establishment size:						
1 to 4 employees	308	61.1	0.6	17.6	17.2	13.1
5 to 9 employees	91	18.1	0.6	17.6	25.0	19.0
10 to 19 employees	62	12.3	0.8	23.5	37.1	28.2
20 to 49 employees	37	7.3	1.0	29.4	43.4	33.0
50 to 99 employees	5	1.0	0.4	11.8	8.7	6.7
100 or more employees	1	0.2	--	--	3.6	2.7

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
MC82-1-23D.

Further data on industry concentration in the fur industry covering 1984 is available from Sales & Marketing Management magazine's Survey of Buying Power, as summarized below.

Employment & Share of Shipments in Large Plants, 1984

	<u>No. of Plants</u>		<u>Total Shipments (Mil. \$)</u>	<u>% of Shipments From Plants With 100+ Employees</u>
	<u>With 20+ Employees</u>	<u>With 100+ Employees</u>		
Fur goods (SIC 2371)	111	5	\$236.6	15%

Source: Sales & Marketing Management Magazine
"Survey of Industrial Purchasing Power"
April 1985, all rights reserved.

Location of the Industry

According to the 1982 census of manufactures, New York has remained the leading state for production of fur garments as it did in 1977. More than 87% of the plants in the industry were located in New York in 1982 with these plants accounting for 91% of the value of fur garments shipped in the U.S. in that year.

GENERAL INDUSTRY STATISTICS

Location of the Industry (continued)

The Fur Goods Industry by Region, 1982

	<u>Establishments</u>		<u>Shipments</u>	
	<u>Total</u>	<u>With 20+ Employees</u>	<u>(Mil. \$)</u>	<u>% of Total</u>
Fur goods, total	504	43	\$419.3	100.0%
New York	439	40	385.5	91.9
All other states	65	3	33.8	8.1

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
MC82-I-23D.

PRODUCT SHIPMENTS

According to the 1982 census of manufactures, the value of shipments of women's furs by all producers, declined in 1981 and 1982, 26.3% during this period to \$397.9 million.

Shipments in the fur industry have been increasingly concentrated in larger plants, a trend which has been continuing since the early 1970's. The U.S. Bureau of the Census reported that in 1972 the four largest plants accounted for about 7% of shipments, while for 1984, Sales and Marketing Management reports the top 5 plants accounted for about 15%. Although direct comparisons between the two different sources should not be made, the overall trend toward concentration in larger plants can be identified.

Value of Product Shipments of Fur Goods, 1979-1982 (Millions of dollars)

	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>% Change 1982/1981</u>	<u>% Change 1982/1979</u>
Fur goods, total	\$397.9	\$497.4	\$539.8	\$466.8	- 23.7%	- 14.8%

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
MC82-I-23D.

FOREIGN TRADE

Imports have become a major influence in the fur industry. While they have contributed significantly to the boom at the retail level, they have caused some furriers to wonder about the future of low-end domestic manufacturing, while others are now concerned that the quality of imports may erode consumer confidence--and interest in furs.

The latest figures from the American Fur Industry, a trade association, indicate that retail sales of imported furs amounted to \$61.5 million in January and February 1985, a 34% increase over the first two months of 1984. Overall the AFI reports that imported furs now account for about 20% of total retail sales.

FOREIGN TRADE

Overall imports of furs increased 65% in 1984, climbing to a total of \$347 million in that year, according to information from the Bureau of the Census.

The Korean Republic, which replaced Hong Kong as the top supplier of imported furs in 1981, has held the top position through 1984. In 1984, Korea was reported to have accounted for about one-third of all furs imported. Between 1983 and 1984, the value of fur garment imports from Korea increased 38.2%.

Canada, the second largest supplier of furs to the U.S., registered an increase of 99.2% in imports, while the number three supplier, Hong Kong, recorded an increase of 81.4%.

While imports have been skyrocketing over the last several years, exports have been going in the opposite direction. Between 1979 and 1984, the value of exports has dropped 47% to \$33 million.

The Value of Imports of Fur Clothing & Articles
By Leading Country of Origin, 1982-1984
(CIF value in thousands of dollars)

	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>% Change</u> <u>1984/1983</u>
Total value	\$346,594	\$219,596	\$137,106	+ 64.5%
Korean Republic	114,925	83,183	51,138	+ 38.2
Canada	74,577	37,438	29,386	+ 99.2
Hong Kong	69,688	38,412	19,491	+ 81.4

The CIF value refers to the value of imports at the first port of entry in the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census,
U.S. General Imports, FT 135.

RETAIL SALES

As previously mentioned, total retail sales of fur garments were estimated at \$1.5 billion in 1984. The industry had only crossed the \$1 billion plateau in 1981.

While total retail sales of fur garments have been booming over the last few years, not all segments of the industry have been sharing in the success. The primary benefactors of the increase have been retailers selling high priced furs, while those in the moderate to lower priced categories have not fared as well.

RETAIL SALES

Promotion has become the catch word in the fur retailing industry. While most retailers today say they believe the amount of promotional activity in the industry is harming their profit margins, promotion continues to increase every year. Since customers have become accustomed to the fur business as highly promotion oriented, most retailers see eliminating the promotions as a difficult task.

The impetus behind the growth of the fur industry in recent years is from several different factors--including the importance of furs in the wardrobes of the rapidly growing, expanding number of career/professional women and the growing popularity of furs among young women. In past years, furs were mainly worn by older women and were usually not purchased by the women themselves, but rather by a male. Now, women buy furs for themselves with a wide variety of furs allowing women to have many choices between styles and price lines, thus allowing many women to build a wardrobe of furs.

Like the manufacturing end of the industry, the majority of fur retailers are small scale operations working out of single unit shops or leased space. The U.S. Department of Commerce reports that in 1982, nearly six out of every ten furriers or fur shops with a payroll employed fewer than five employees.

Furriers and Fur Shops by Employee Size, 1982 (Establishments with paid employees, only)

	<u>Number</u>	<u>Total</u>	<u>Number</u>	<u>Total</u>	<u>Mil. \$</u>	<u>Total</u>
Furriers & fur shops, total	842	100.0%	5,464	100.0%	\$78,965	100.0%
By establishment size:						
Under 5 employees	506	58.0	1,077	19.7	14,753	18.7
5 - 9 employees	223	25.6	1,505	27.5	20,668	26.2
10 - 19 employees	92	10.6	1,239	22.7	19,365	24.5
20 or more employees	51	5.8	1,644	30.1	24,197	30.6

Source: U.S. Department of Commerce,
County Business Patterns, 1982.

According to preliminary data from the 1982 Census of Retail Trade, sales of women's fur account for 0.6% of sales in women's wear stores in 1982, down from 1.3% in 1977. In family clothing stores, the percentage of sales dropped from 0.3% to 0.1% in the same period. Comparable figures for department stores are not yet available for 1982.

It must be noted that all figures currently available from the 1982 Census of Retail Trade are preliminary and are subject to revision when final reports are released, later this year.

RETAIL SALES

Percent of Total Sales Accounted for by Furs & Fur Garments In Key Store Types Reporting Sales, 1982(p)

	Total Retail Sales (Million \$) 1982(p)	<u>Percent of total accounted for by:</u>	
		<u>Furs & Fur</u>	
		<u>Garments</u>	
		1982(p)	1977
Women's wear stores	20,311	0.6%	1.3%
Family clothing stores	13,471	0.1	0.3

(p)--preliminary
na--not available

Source: U.S. Department of Commerce,
1983 Census of Retail Trade,
(Preliminary reports).

Department Stores

Fur departments in department stores with a total volume of \$1 million or more registered a median gain of 20.5% in 1983 over 1982, according to the National Retail Merchants Association. Sales per square foot averaged \$352.5 compared with \$203 in 1981 and \$153 in 1979. The fur department accounted for a typical 1.9% of total sales in the adult female department in 1983, compared with 1.5% in 1981.

Merchandising & Operating Results in Fur Departments, 1983 (Median Results for Department Stores with Sales Over \$1 Million)

Net sales, % change from 1980	+ 20.5%
Net sales, % of adult female apparel	1.9
Net sales, % of total store sales	0.5
\$ sales per sq. ft. of selling space (main or largest selling unit)	\$352.6
Cumulative markon, %	45.4%
Gross margin, % of net sales (including cash discounts)	38.8
Markdowns, retail, % of net sales	16.1
Number of stock turns (times)	2.1
Salespeople's salaries, % of sales (main or largest selling unit)	6.9
Sales promotion, % of net sales	6.0

Source: National Retail Merchants Association,
Merchandising & Operating Results of 1983,
(1984 Edition).

RETAIL SALES

Department Stores (continued)

Percent of Department Store Sales of Women's Furs 5 Year Average, by Month

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Year</u>
Furs	8.4	6.0	6.1	6.1	4.3	2.4	4.1	9.0	7.9	12.4	13.1	20.2	100.0%

Source: Newspaper Advertising Bureau, based on
Federal Reserve Board data, 1961-1965,
(latest available).

RETAIL ADVERTISING

Seasonality in Retailers' Newspaper Advertising Linage On Women's Furs & Fur Garments, 1979, 1981

<u>Fur & Fur</u> <u>Garments</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Year</u>
1983	14.4	11.0	5.5	4.1	3.0	1.8	4.6	9.7	8.7	10.3	10.9	16.0	100.0%
1981	14.6	11.1	7.7	2.8	3.6	1.8	4.1	9.1	9.2	8.6	12.9	14.4	100.0
1979	10.4	8.4	6.2	4.3	2.5	1.6	4.9	10.2	9.8	11.1	17.0	13.6	100.0

Source: Advertising Checking Bureau, Neustadt
Reports Division, covering retail newspaper
linage in seven cities.

(For Consumer Buying Habit Information on furs, see pages 24 and 24)

FAIRCHILD FACT FILES CURRENTLY AVAILABLE

CONSUMER MARKET DEVELOPMENTS: Provides a detailed view of consumers in the U.S., including population by age, personal income, the labor force, employment and earnings, households and living arrangements. Also covers trends in consumer prices, in personal consumption expenditures by product classification and in retail sales by store types, and the outlook for consumer markets based on current economic trends. (1984 Edition available now--1985 Edition will be available in February, 1986)

DEPARTMENT STORE SALES: (Including selected major apparel specialty store sales) Covers sales of department stores, and the number of stores operated, listed by geographic region and state based on buying headquarter location. Also lists branch store sales, where available. Sales information on major general merchandise/apparel retail chains, which are listed alphabetically, and a list of department stores with sales of \$50 million or more, are included. (1984 Edition available now--1985 Edition will be available in January, 1986)

DRESSES (WOMEN'S, MISSES' AND JUNIORS'): Statistics on the dress industry, including trends in the number of manufacturers, and in production and shipments. Also data on fabric types and manufacturers' price lines and shipments by region of the country. Includes estimates on retail sales and data on the consumer market in terms of important demographic data.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Information on a wide range of fashion accessories for men and women, including jewelry, watches, gloves, belts, handbags, small leather goods, luggage, neckwear, hats. Includes key information at manufacturer level, as well as available retailer and consumer data. Also covers important fashion developments.

FOOTWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A statistical summary of the U.S. footwear industry and the footwear markets. Covers domestic production and shipments, as well as imports. Provides retail sales and merchandising statistics and buying habits. (1984 Edition available now--1985 Edition will be available in August, 1985).

HOME TEXTILES: Information on the industry includes the latest data on number of manufacturers, production and shipments for a wide range of products, including bed linens, towels, blankets and comforters, slip covers, pillows, curtains and draperies. Trends in merchandising, departmental operations and consumer patterns are also covered.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S AND CHILDREN'S): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet and on patterns in consumer spending in terms of major demographic characteristics.

HOUSEHOLD FURNITURE AND BEDDING: Contains U.S. industry-wide data on quantity and value of manufacturers' shipments of furniture and bedding (mattresses and dual-purpose sleep furniture). Also covers information on the geographic location and size of manufacturers. Retail information includes sales by store type, trends in furniture styles and materials and market demographics. Features results of a consumer survey on furniture and bedding buying habits.

INFANTS', TODDLERS', GIRLS' AND BOYS' WEAR: Manufacturer data spotlights production, value of shipments, number of manufacturers, employment in the industry by company size, price trends. At the retailer level, data focuses on sales share by type of outlet and on operating ratios in department and specialty stores. Also covers data on purchases of children's wear by price line and season.

INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR (WOMEN'S, MISSES' & JUNIORS'): Data on production and shipments, tracing market shifts in response to fashion changes. Imports are covered, retail trends and merchandising ratios, and data on consumer purchases by price point, store type and month.

MAJOR APPLIANCES AND ELECTRICAL HOUSEWARES: Covers a wide range of products in the major appliance and traffic appliance classifications, including heating, laundry and cooking appliances for household use, cleaning equipment, and personal care appliances. Details production and shipments, sales trends, retail merchandising results, more. (Includes a new consumer buying intention survey) (October)

MEN'S FURNISHINGS AND WORK WEAR: Includes information on number of manufacturers, production and shipment figures on shirts, underwear, nightwear, neckwear, hats, etc., size of firms, imports and exports. Also provides data at the retail level, including sales and merchandising trends, operating ratios, and sales share by type of outlet.

MEN'S SPORTSWEAR, CASUAL WEAR AND JEANS: The wide variety of men's wear items included in this broad category are covered from available information on the industry at the manufacturer, retailer and consumer level. Included is information on production and shipments, imports, exports, market trends, retail sales and consumer buying practices. Trendy data, such as developments in Western wear, designer labels, fashion jeans and active wear, are included.

MEN'S TAILORED CLOTHING/SEPARATES AND RAINWEAR: (Including Tailored Casual Wear) Manufacturer level profiled by production value of shipments, employment, size of firms. Imports from key foreign sources by unit and dollar value are covered. Data is also presented on retail sales, merchandising and consumer buying habits. (November)

PERSONAL ELECTRONICS: A statistical summary of the market for electronic equipment designed for individuals. Product categories include televisions, radios, stereos, personal stereos, home computers, videosystems and videogames. Data is presented on both the manufacturer and the retailer level. Also includes a section on consumer buying habits.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

THE SPORTS/FITNESS/LEISURE MARKETS: Covers developments in the fast-growing markets for sports facilities and equipment, for footwear and apparel designed not only for serious sports participants but those who like the "look" for leisure wear, and for products involved in life styles related to interest in sports and physical fitness.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits. Also included is information on departmental merchandising and operating results, as well as important developments in retailing, such as the designer's label.

A STATISTICAL ANALYSIS OF RETAILING: A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued this year by the U.S. Census Bureau. Includes information on the number of outlets by store type, sales, market shares by type of major merchandise classification, sales concentration by size of retail organization, geographical changes, etc. Comparisons are made with findings in the last previous census, covering operations in 1977. (December)

THE TEXTILE/APPAREL INDUSTRIES: Industry overview, providing statistics on fibers and fabrics as well as finished goods. Includes information on industry size, U.S. mills, as well as exports and imports. Covers capital expenditures and data on mill machinery. (August)

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry-wide statistics and projections, as well as data on leading manufacturers in various product categories. Consumer expenditures, buying habits and usage of various product types are highlighted, as well as data on sales by outlet type and advertising expenditures by major producers.

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